



Daily Report

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Daily Report

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General

Reaction to U.S. Firing on Cuban Vessel

RENMIN RIBAO Writer Comments

HK0502030690 Beijing RENMIN RIBAO OVERSEAS
EDITION 5 Feb 90 p 6

["Jottings" by Yan Zhong (1750 1813): "Willfully Making Trouble"]

[Text] Recently, after firing on a Cuban vessel, the United States then lodged a "protest" with the victim. This really is the height of outrage.

It was learned that the U.S. Coast Guard suspected the vessel Hermann of carrying drugs. The Coast Guard wanted to board to make an inspection. After the captain of the ship sternly rejected the request, the U.S. Coast Guard giving chase, first directed columns of water at the Cuban vessel and then opened fire, damaging the hull, engine room, and cargo hold of the ship.

Such suspicions were uncalled for. The requested search and shots fired were especially outrageous.

This barbarous act by the United States naturally met with the strong condemnation of the Cuban Government. For the vessel of a sovereign state to sail in international waters is entirely in line with the principle of free movement on the high seas. If other countries act after the style of the United States, what then is the guarantee for free movement in international waters? How can there be right and order in the world?

The right or wrong of the matter is very clear. But what is strange is that after what happened, the U.S. State Department even used the Cuban vessel's "refusal to cooperate" as an excuse to lodge a protest with the Office in Charge of Cuban Interests in the United States. This was an out-and-out uncalled-for act. The U.S. Coast Guard has obviously done something wrong; instead of admitting to its mistake, it has, on the contrary, lodged what was called a "protest" with the victim. Can there be any justification for this? It is entirely the logic of power. The United States thinks that so long as it uses the excuse of "a crackdown on drug trafficking," it can do what it likes. Others can only take it passively. This is a wrong calculation.

XINHUA Commentary

OW0402000390 Beijing XINHUA Domestic Service
in Chinese 1312 GMT 3 Feb 90

["Short Commentary: It Is Absolutely Impermissible To Ride Roughshod Under the Pretext of 'Seizing Narcotics' (by XINHUA reporter He Dalong (0149 1129 7127))—XINHUA headline]

[Text] Washington, 2 Feb (XINHUA)—On the early morning of 31 January, a U.S. Coast Guard cutter, by the authority of the U.S. Government, intercepted a Cuban freighter in the international waters near the Gulf of

Mexico and tried to stop the freighter for a drug inspection. The reason was that the freight "looked like a drug smuggling vessel." After the captain of the Cuban freighter turned down this unreasonable order, the U.S. cutter sprayed the freight with machine-gun fire and shells. When this bullet-ridden freighter reached its destination—Mexico's Tampico Harbor—the Mexican Navy inspected the freighter and found no narcotics or any other contraband on board.

After this incident, a U.S. official provided an explanation, saying: The U.S. cutter's firing at the Cuban freighter is "absolutely reasonable." "It was not an attack and a provocation," but "law enforcement," he said. People cannot refrain from asking: What kind of international law is the U.S. Government enforcing? What kind of right does it have to do whatever it wants on the high seas?

The United States wants to seize narcotics. This is beyond reproach. However, it must abide by international laws and the norms governing international relations, and respect the territorial integrity and sovereignty of other countries. It is absolutely impermissible to ride roughshod under the pretext of "seizing narcotics."

At the end of last year, the U.S. Government, hoisting the banner of "seizing narcotics," sent troops to invade a sovereign state—Panama. Later, it once again used the concept of "seizing narcotics" to send an aircraft carrier to the doorway of another country—Colombia, and sealed off the seas in the area. Right now, it evoked a provocation against a Cuban vessel under the pretext of "seizing narcotics."

The U.S. practice of playing power politics under the pretext of "seizing narcotics" cannot but arouse people's righteous indignation.

Commentary Views U.S., West Europe Disputes

OW0302020090 Beijing International Service
in Mandarin 0900 GMT 2 Feb 90

[Station commentary: "Disputes between West Europe and the United States on European Security and Disarmament Are Becoming More Apparent"]

[Text] At the end of November last year, Soviet leader Gorbachev proposed to convene, this year, the second summit of the 35 European nations who signed the Helsinki document to discuss European security, cooperation, and disarmament under the new situation. In the beginning, the United States, the CSCE member nations in Europe, and the 12 EC countries did not express any opinion on Gorbachev's proposal. Later, Bush put forward a counter proposal at the Malta summit to convene summits of the 16 NATO nations and the 7 Warsaw Pact nations to discuss new issues which may crop up after the signing of the Vienna agreement on the reduction of conventional forces in Europe. The summit of NATO nations held in Brussels once again reiterated Bush's stand. However, when French President Mitterrand, who was the EC executive chairman, met Gorbachev in Kiev, he agreed

to convene the second CSCE summit. Also, in his New Year message, Mitterrand put forward a proposal to establish a European federation, and called on the 35 CSCE member countries to study this proposal.

The United States feels uneasy about these actions of the West European leaders. At the end of last year, when U.S. Secretary of State Baker attended the meeting of foreign ministers of NATO nations, he put forward the so-called "new Atlanticism," saying that the United States is willing to establish, with the 12 EC nations, a new type of cooperative relationship across the Atlantic Ocean in order to coordinate the stands of the two sides and join efforts to tackle European issues. However, the stupendous changes in the European situation and some of the ensuing thorny problems have made the disputes between West Europe and the United States become more apparent.

First of all, the 12 EC nations endorsed the proposal to convene ahead of schedule the summit of 35 CSCE nations, but the United States was upset. On 17 January, when EC Commission President Delors outlined this year's work to the European Parliament, he emphatically pointed out: On CSCE issues, the 12 EC nations must speak with one voice. On 20 January, when the foreign ministers of the 12 nations met in Dublin, they adopted a resolution unanimously supporting Gorbachev's proposal to convene the second CSCE summit. This resolution was criticized by the United States. The U.S. ambassador to NATO reiterated twice recently: The White House believes that CSCE issues should first be tackled among the 16 NATO nations, since such issues are not included in the CSCE political realm. Also, CSCE issues should be solved by the NATO nations who will participate in the 23-nation ministerial meeting of NATO and Warsaw Pact nations, to be held in Ottawa in mid-February this year. France refuted the U.S. ambassador to NATO. It pointed out: NATO cannot replace the EC in playing the role of an organization which coordinates the two sides. Currently, the situation is undergoing rapid changes, it will be difficult to do things according to a fixed schedule. Another issue is: The United States persistently believes that the reduction of conventional forces in Europe should be discussed only between the two major military blocs. However, the West European allied nations believe that CSCE nations should also be allowed to participate in this discussion.

According to Bush's counter proposal, the United States has already agreed to convene the summit meeting of 23 NATO and Warsaw Pact nations when the agreement on the reduction of conventional arms in Europe is signed in Vienna this year. However, France, West Germany, Italy, and other nations demanded at the Vienna negotiation, held on 26 January, that the pace in this connection be quickened. They hoped that the 35 CSCE nations would be allowed to participate in new disarmament talks directly after the signing of the first agreement. Naturally, this runs counter to the U.S. proposal. At the same time, the United States is worried about the announcement by Belgium and Holland to withdraw

their troops from West Germany. On 25 January, Belgium Defense Minister Coeme announced that Belgium is prepared to withdraw its 25,000 soldiers stationed in West Germany during the second Vienna disarmament talks. On the next day, the Dutch defense minister also announced a plan to withdraw some of the Dutch troops stationed in West Germany between 1991 and 1992. Later, Greece asked the United States to shut down the two U.S. military bases in Greece. [Words indistinct] were unhappy about this. They believed that this would affect the Vienna disarmament negotiations and harm NATO defense. From all this, disputes between West Europe and the United States on CSCE issues and on disarmament have become more and more apparent, while EC nations seek to establish relations of partnership with the United States on the basis of equality and play their active role in European affairs.

Recently, the Soviet Union again proposed that if the United States and its NATO allies withdraw its troops stationed in West Europe, the Soviet Union might withdraw all its troops from East Europe by 1995. Faced with this challenge, the disputes between West Europe and the United States may continue to prevail.

Li Peng Meets Former Congressmen; Fetes Sihanouk

*OW0502120690 Beijing Domestic Service in Mandarin
1030 GMT 5 Feb 90*

[From the "National Hookup" program]

[Text] Premier Li Peng met with a group of former U.S. congressmen visiting China at Diaoyutai State Guesthouse this afternoon. The group was led by Richard (Ackde), a former Democratic member of the House of Representatives, and Robert Wilson, a former Republican member of the House of Representatives. Premier Li Peng extended a welcome to the 30-odd visitors on behalf of the Chinese Government and people.

Premier Li Peng and his wife Zhu Lin also met and feted Cambodian President Prince Sihanouk and his wife at Diaoyutai State Guesthouse this evening.

Li Tieying Meets Planned Parenthood Officials

*OW0502081590 Beijing XINHUA in English
0801 GMT 5 Feb 90*

[Text] Beijing, February 5 (XINHUA)—Chinese State Councillor Li Tieying met here this afternoon with Dr. Halldav Mahler, secretary general of the International Planned Parenthood Federation, and V.T. Palan, executive director of the ESEAO region of the federation.

Li briefed his guests on China's population situation, population policies and birth control efforts. Both sides expressed the wish to strengthen cooperation in this field.

Mahler and Palan are on a visit here as guests of the China Family Planning Association. Peng Peiyun, minister in charge of the State Family Planning Commission, was present at the meeting.

NPC Official Meets Foreign Guests

OW0302122890 Beijing XINHUA in English
1155 GMT 3 Feb 90

[Text] Beijing, February 3 (XINHUA)—Lei Jieqiong, vice-chairwoman of the Standing Committee of China's National People's Congress (NPC), met with more than 30 visitors from Japan, Thailand and the United States at the Great Hall of the People here today.

The visitors had attended celebrations of the traditional Spring Festival in south China's Guangzhou as guests of the Guangdong Provincial People's Association for Friendship with Foreign Countries.

Lei told her guests that she wanted to see more exchanges between the Chinese and foreign peoples.

United States & Canada

Further Protests Against U.S. Congress Sanctions

NPC Committee Meets

OW0302120890 Beijing XINHUA in English
1150 GMT 3 Feb 90

[Text] Beijing, February 3 (XINHUA)—Members of the Foreign Affairs Committee of the National People's Congress [NPC] of China met today, advising certain members of the U.S. Congress to sober down and look ahead so as to free themselves from indulgence in arrogance, prejudice and lack of reason and stop their wanton interference in China's internal affairs.

Addressing the 18th Session of the Foreign Affairs Committee of the National People's Congress, members of the committee expressed their utmost indignation and lodged a strong protest against the vile act of certain members of the U.S. Congress on the readoption of an amendment on sanctions against China.

On 20 November last year, the NPC Foreign Affairs Committee issued a solemn statement on the adoption by the U.S. House of Representatives and Senate respectively of an amendment on sanctions against China to the State Department Authorization Bill. On 21 November last year and 30 January this year, the U.S. House of Representatives and Senate continued to base their legislation on rumors and readopted the amendment on sanctions against China to the State Department Authorization Bill.

Members of the Foreign Affairs Committee said, the U.S. Congress, still resorting to deception based on rumors, has readopted the amendment on sanctions against China in disregard of the strong opposition of the Chinese people and the fact that the truth of quelling the June rebellion in 1989 has long become known to all and that China is enjoying political, economic and social stability while its people are living and working in peace and contentment.

All this has further revealed the stubborn position of hostility towards China and its people taken by certain forces in the United States, they noted.

Fu Hao, vice-chairman of the NPC Foreign Affairs Committee, chaired today's meeting. Vice-Chairmen Zeng Tao, Zhang Wenjin, Yao Guang and several other members spoke at the meeting.

The attendants also expressed their hope that the U.S. Government would adopt effective measures to lift the sanctions against China so that China-U.S. relations will be back on the normal track at an early date.

Today's meeting issued a statement on the readoption by the U.S. Congress of the amendment on sanctions against China.

Committee Issues Statement

OW0302134390 Beijing XINHUA in English
0930 GMT 3 Feb 90

[Text] Beijing, February 3 (XINHUA)—The Foreign Affairs Committee of the National People's Congress (NPC) of the People's Republic of China issued a statement on the readoption by the U.S. Congress of an amendment on sanctions against China today. The full text follows:

1. On November 20 last year, the Foreign Affairs Committee of the Chinese National People's Congress issued a solemn statement on the adoption by the U.S. House of Representatives and Senate respectively of an amendment on sanctions against China to the State Department Authorization Bill, strongly condemning and protesting against the hegemonic act of the U.S. Congress which had willfully distorted the facts, maliciously attacked the Chinese Government and wantonly interfered in China's internal affairs. On November 21 last year and January 30 this year, the U.S. House of Representatives and Senate continued to base their legislation on rumors and readopted the amendment on sanctions against China to the State Department Authorization Bill. We hereby express, once again, our utmost indignation and lodge a strong protest against this vile act of certain members of the U.S. Congress who are bent on setting themselves against the Chinese people and willfully trampling on the basic norms governing international relations. We fully support the solemn and just stand of the Chinese Government in handling this matter.

2. In disregard of the strong opposition of the Chinese people and the fact that the truth of quelling the rebellion has long been known to all and that China is enjoying political, economic and social stability while its people are living and working in peace and contentment, the U.S. Congress, still resorting to deception based on rumors, has readopted an amendment on sanctions against China. All this has further revealed the stubborn position of hostility towards China and its people taken by certain forces in the United States. The history of the People's Republic of China since its founding has fully

proved that whatever foreign forces that attempt to isolate China or impose sanctions against it in whatever form will invariably fail. The Chinese people who experienced sufferings under enslavement and oppression know the value of their hard-won independence and sovereignty. It was through the fight which overwhelmed the internal and external reactionary forces that the Chinese nation won liberation. It is through self-reliance and hard struggle of the Chinese people that splendid achievements have been made in nation-building over the past four decades since the founding of New China. The shortsighted, anti-China act by certain members of the U.S. Congress will in no way stop the advance of the Chinese people. On the contrary, it will only prompt the Chinese people to deepen their understanding of the nature of hegemonism and power politics and inspire them with even greater revolutionary spirit of working hard for the prosperity of the country.

3. There are problems in Sino-U.S. relations at present, for which the United States is solely responsible. As is known to all, the restoration and development of Sino-U.S. relations are not only conducive to peace and stability in the Asia-Pacific region and the entire world, but also are in the fundamental interests of the Chinese and American peoples. China and the United States should and can only overcome the current difficulties and develop their bilateral relations on the basis of the principles affirmed in the successive Sino-U.S. joint communiques, especially the principles of equality and mutual benefit and mutual non-interference in each other's internal affairs. We would like to advise these members of the U.S. Congress to sober up and look ahead so as to free themselves from indulgence in arrogance, prejudice and lack of reason and, taking account of the overall and long-term interests of Sino-U.S. relations, change their ways and stop their wanton interference in the internal affairs of the other countries. We also hope that the U.S. Government will adopt effective measures to lift the sanctions against China so that Sino-U.S. relations will be back on track at an early date.

CPPCC Statement

OW0302145990 Beijing XINHUA in English
1439 GMT 3 Feb 90

[Text] Beijing, February 3 (XINHUA)—The Foreign Affairs Committee of the National Committee of the Chinese People's Political Consultative Conference (CPPCC) today protested against the U.S. Congress because it has trampled on the basic norms governing international relations and interfered in China's internal affairs.

The committee's statement points out that on November 21 last year and January 30 this year, the U.S. House of Representatives and the Senate, in disregard of strong opposition by the Chinese Government and people, readopted an amendment on sanctions against China to the State Department Authorization Bill in an attempt to continue to impose sanctions against China through legislation.

The statement says, the CPPCC, the non-communist parties, mass organizations and non-party patriotic personages have expressed utmost indignation and lodged a strong protest against this hegemonist act by the U.S. Congress.

In accordance with China's Constitution and laws, it says, the Chinese Government quelled the counter-revolutionary rebellion in Beijing. This is purely China's internal affair and no foreign country has the right to interfere.

It says that China's political situation is stable and its people are living and working in peace and contentment. Economic adjustment, reform and opening policy have been gaining gratifying achievements. More and more countries and people have shown their understanding toward the quelling of the rebellion. Under these circumstances, the U.S. Congress has readopted the amendment on sanctions against China. "This reveals their stubborn anti-China position and their adherence to power politics," it says.

The statement points out that the Chinese people have never yielded to any outside pressure on issues of state sovereignty, national dignity and independence. On the contrary, political pressure and economic blockades from foreign countries can only stimulate the Chinese people to work hard and continue to march along the socialist road and stick to the reform and opening policies.

The statement also points out that the U.S. Congress's anti-China actions are like lifting a rock only to drop it on their own feet. In the end, it is the interests of the United States itself that will be harmed. The statement urged U.S. Congressmen to stop interfering in China's internal affairs in the interest of Sino-American relations and the people of both countries.

Ministry Opposes U.S. Abode for Hong Kong Residents

HK0502042090 Hong Kong AFP in English 0417 GMT
5 Feb 90

[Text] Beijing, Feb 5 (AFP)—China warned the United States Monday against giving citizenship to Hong Kong residents, a move that Britain has proposed in the tense run-up to the 1997 reversion of the colony to Beijing's rule.

British Foreign Secretary Douglas Hurd, on a visit to Washington January 29, urged the United States to grant citizenship to key Hong Kong residents in hopes of building confidence in the colony before 1997.

A Chinese Foreign Ministry spokesman said his department was "not clear" on Mr. Hurd's talks with U.S. officials.

But he reiterated China's anger with British plans to give right-of-abode to 50,000 Hong Kong families in Britain.

He added: "We also hope that other countries, including the United States, would refrain from doing anything

that would prejudice the prosperity and stability of Hong Kong, damage bilateral relations and hurt the national feelings of the Chinese people."

"Otherwise, they cannot but be held responsible for all the consequences arising therefrom, and we should reserve the right to take corresponding measures," he said.

China's view is that giving selective right-of-abode elsewhere is divisive and would erode confidence in Hong Kong, the opposite of the official British view.

RENMIN RIBAO Reports on State of Union Message

HK0202124690 Beijing RENMIN RIBAO in Chinese
2 Feb 90 p 4

[Report by staff reporter Zhang Qixin (1728 0796 2500): "U.S. President Bush Delivers the State of the Union Message"]

[Text] Washington, 31 Jan—When delivering his State of the Union Message tonight at a joint session of Congress, U.S. President Bush put forward a new disarmament proposal on a further reduction in U.S. and Soviet military power in Europe.

Bush said: The time is right for us to move forward on a conventional arms control agreement to move us to more appropriate levels of military force in Europe. For this reason, he proposed a further reduction in U.S. and Soviet manpower in Central and Eastern Europe to 195,000 on each side. This was another proposal by Bush on troop reductions following his earlier proposal, put forward last July, on establishing a level of 275,000 each for U.S. and Soviet troops stationed in Europe.

Bush revealed that before putting forward his new proposal, he discussed the matter with leaders of NATO countries, and that today he called Soviet leader Gorbachev.

However, he stressed: The United States and its allied countries in Europe unanimously hold that a U.S. military presence in Europe is necessary. He believed that U.S. military power, which had been reduced, could protect American and European interests and sustain NATO's defense strategy.

While talking about the issue of the Soviet Union and Eastern Europe, Bush stated that the United States must adopt a "supporting and encouraging attitude toward the Soviet Union in its peaceful internal reform," and "lend a helping hand" to East European countries.

Bush continued: We are in a period of great transition, great hope, yet great uncertainty. The United States recognizes that the Soviet military threat in Europe is diminishing, but we see little change in Soviet strategic modernization. Therefore, we must sustain our own strategic offense modernization and the strategic defense initiative (namely, the "Star Wars" initiative).

While talking about the international situation, Bush emphasized that the United States must recognize an "unfortunate fact," saying that in many regions of the world today, the reality is conflict, not peace, and enduring animosities and opposing interests remain. Therefore, he reiterated that the United States must rely on its own strong power to "defend American interests."

Washington Embassy Holds Spring Festival Party

OW0502065090 Beijing Domestic Service in Mandarin
1030 GMT 4 Jan 90

[From the "National Hookup" program]

[Text] The Chinese Embassy in Washington held on 3 January a Spring Festival party for Overseas Chinese and Chinese people residing in the Washington area. About 700 people, including responsible persons of friendly Overseas Chinese organizations and organizations of Chinese people, and prominent people of Chinese origin from science and technology circles and educational circles in the Washington area, attended the party. Zhu Qizhen, Chinese ambassador to the United States, delivered an ebullient speech to the guests.

Government Signs Commodity Memorandum

OW0302000790 Beijing XINHUA Domestic Service
in Chinese 1219 GMT 2 Feb 90

[Text] Beijing, 2 Feb (XINHUA)—The Research Institute for Commerce and Economy under the Ministry of Commerce and the Trade Company for Grains in China signed a memorandum in Beijing today with the U.S. Chicago Commodities Futures Exchange for the agreement of information exchange and cooperation.

According to this memorandum, both sides will exchange the relevant reference materials and the results of their research work with regard to spot and futures markets of farm products, and carry out cooperation in the study of other subjects. The two sides plan to exchange visits to facilitate their work. The U.S. side promises to train, both in the United States and in China, Chinese high-level managerial personnel for China's grain wholesale market and commodities exchange.

The Chicago Commodities Futures Exchange is one of the world's largest futures exchanges with a 150-year history. It has a tremendous influence over the world market of farm products, particularly the exchange of grain products.

The Ministry of Commerce has established ties with the Chicago exchange for many years. Since last year, both sides have successfully cooperated with each other on making preparations to set up a grain wholesale market in China.

Attending today's signing ceremony were He Jihai, Vice Minister of Commerce, and Jiang Xi, advisor for the ministry; and Mr. (Glossman), general manager of the

office for the Asian and Pacific region and vice president of the Chicago Commodities Futures Exchange.

Pact Sets Terms for Tibetan Wildlife Reserve

*OW0502025190 Beijing XINHUA in English
0129 GMT 5 Feb 90*

[Text] New York, February 4 (XINHUA)—The United States and China will cooperate in establishing the world's largest wildlife reserve in northwestern Tibet to study the ecology and rare animals in the Chinese autonomous region.

According to a letter of intent signed recently by the Tibetan Environment Protection Agency (EPA) of China and the Wildlife Conservation International (WCI), the reserve will be set up in Chang Tang, an area of over 200,000 square kilometers located between the Kunlun mountains and the Tanggular and Gangdise mountains.

George Schaller, WCI representative, who has devoted himself to wildlife conservation in China since 1980, told XINHUA that if this reserve is established, it will be the largest in the world.

The region represents the finest wildlife area in China and one of the finest in the world. There is unique animal and plant life which occurs only on the Tibetan plateau, including wild yaks, wild donkeys, wild sheep, gazelles, antelopes, and Tibetan brown bears.

In another letter of intent, the Tibet Institute of Plateau Biology and the WCI will work together to study the ecology and behavior of large mammals, especially how these relate to the conservation of the species.

They will collect information on numbers, distribution, activities, especially during mating and birth seasons, migration and other movements, eating habits as well as their birth and death rates.

Schaller said the field work is expected to begin in July or August.

Wildlife conservation international is a sub-unit of the New York Zoological Society. Its main goal is to promote conservation and the rational use of natural resources based on scientific knowledge. It has helped to establish over 60 wildlife reserves worldwide.

Soviet Union

Agreement Finalizes Joint Hospital Agreement

*OW0302230690 Beijing XINHUA in English
1522 GMT 3 Feb 90*

[Text] Shenyang, February 3 (XINHUA)—An agreement on establishment of the first hospital jointly operated by China and the Soviet Union was signed recently in Dalian City in northeast China's Liaoning Province.

The agreement, signed by the Dalian Foreign Economic and Trade Corporation of China and a co-op in the Gulistan City of the Uzbek Soviet Socialist Republic, will run for 10 years.

The cost of the 1.5-million ruble hospital, to be located in Gulistan City, will be shared equally. The investment is expected to be recouped within two years.

Under the agreement, the Soviet side will provide the space and installations for the hospital while the Chinese side will send 20 traditional Chinese medical doctors each year to the hospital and provide part of the medical instrument.

The first group of doctors to be sent to the hospital are now taking a training course and will leave for the hospital in May this year.

The hospital will open a branch in the Moldavian Soviet Socialist Republic in the future.

Envoy to Japan Addresses Festival Gathering

OW0402211890 Beijing XINHUA Domestic Service in Chinese 1333 GMT 3 Feb 90

[By reporter Jiang Zhanguo (1203 0594 0948)]

[Text] Tokyo, 3 Feb (XINHUA)—The Association of People From Taiwan Province in Japan held a New Year's banquet at noon today to celebrate the traditional Chinese Spring Festival.

The dining room of the Overseas Chinese Hall in Tokyo was permeated with a festive atmosphere. Overseas Chinese of Taiwan origin and representatives from the Chinese Embassy and other Chinese organizations in Japan, numbering some 100 in all, gathered here to joyfully celebrate the festival.

Chen Minxiong, president of the Association of People From Taiwan Province, was the first speaker. He said that reform and the open policy upheld by China have won support from all Chinese people, including Taiwanese compatriots.

He pointed out that the Taiwan independence movement carried out recently by some people in Taiwan runs counter to the direction of the historical current and is opposed by the overwhelming majority of compatriots of Taiwan. The Association of People From Taiwan Province, he added, will, as always, side with the mainland people in striving for an early reunification of the motherland.

A speech was also given by Chinese Ambassador to Japan Yan Jizhenya. He spoke highly of the contributions made by Taiwanese compatriots toward the modernization and reunification of the motherland. The Taiwan independence movement carried out by a small number of people will no doubt end in failure, he said.

Artists from the mainland played national music at the banquet.

Southeast Asia & Pacific

Envoy Comments on Relations With Vietnam

BK0202145790 Bangkok ZHONG HUA RIBAO
in Chinese 2 Feb '90 p 4

[Text] PRC Ambassador to Thailand Li Shichun yesterday reaffirmed to our newspaper's correspondent that Sino-Vietnamese relations will not be improved as long as the Cambodian issue is not settled.

Ambassador Li gave the above remark when asked by the correspondent to comment on reports that there are indications that Sino-Vietnamese relations have gradually improved.

Asked by the correspondent whether the Cambodian issue can be settled in the near future, Ambassador Li said that China hoped that the issue could be settled quickly. Efforts are still in progress to achieve this goal.

He also said that China and Vietnam still maintained diplomatic relations. But, current relations are still not good because the Cambodian problem has not been settled.

Sihanouk To Return to Cambodia

HK0502120290 Hong Kong AFP in English
1149 GMT 5 Feb 90

[Text] Beijing, Feb 5 (AFP)—Prince Norodom Sihanouk announced here Monday that he would "definitively" return to Cambodia in late February to live in "liberated territories" held by the Cambodian resistance.

The prince made the announcement in a statement to AGENCE FRANCE-PRESSE.

"As a Cambodian patriot, my duty is to return to my beloved homeland and to permanently dedicate myself to its well-being," Prince Sihanouk said.

Prince Sihanouk said he would return to Cambodia at the end of the third week in February or in the beginning of the fourth.

"Today, I have the honor of announcing that ... I will return and install myself definitively in liberated zones in Cambodia with the ANS (the National Sihanoukist Army)," he said, referring to the non-communist resistance force he heads.

The former Cambodian monarch said he would return to his homeland after brief visits to Thailand and Singapore.

"Each year, I will have the honor of making friendly visits to the People's Republic of China and the Democratic People's Republic of (North) Korea," said the prince, who lives here in exile.

He said he would visit the two nations to take part in China's National Day celebrations on October 1, and the April 15 birthday of North Korean President Kim Il-Sung.

He also said that, if welcomed, he would make "private friendly visits" to Bangkok.

Prince Sihanouk's ANS is one of two non-communist forces linked to the Marxist Khmer Rouge in a resistance coalition which is battling to topple a Hanoi-installed government in Phnom Penh.

Prince Sihanouk announced January 24 that he would resign his post as titular head of the resistance but said he would continue to maintain his post as U.N.-recognized "head of state."

Near East & South Asia

Ministry Urges End To Kashmir Crisis

HK0502095890 Hong Kong AFP in English
0952 GMT 5 Feb 90

[Text] Beijing, Feb 5 (AFP)—China urged India and Pakistan on Monday to find a peaceful settlement to the crisis in Kashmir, which abuts China's remote western frontier.

"The question of Kashmir is a dispute between India and Pakistan," a Foreign Ministry spokesman said.

"China has always held that the Kashmir issue should be settled peacefully through friendly consultations between India and Pakistan," he said.

The spokesman did not refer to China's long-standing border dispute with India in Kashmir, where a Moslem majority has stepped up demands for independence from New Delhi.

China and India fought a border war in November 1962 in part over sections of Kashmir, but agreed as late as last year to increase efforts towards a negotiated settlement over their mountainous frontiers.

China is also a close ally of Pakistan and one of its leading sources of weapons, including fighter jets.

Ministry Condemns Israeli Emigration Actions

OW0302094590 Beijing XINHUA in English
0924 GMT 3 Feb 90

[Text] Beijing, February 3 (XINHUA)—A Foreign Ministry spokesman said here today that the Chinese Government "is gravely concerned over the recent massive emigration to the occupied Arab territory by Israel."

He said that the Chinese Government is opposed to any attempt of the Israeli authorities to change the status of the occupied territory by establishing settlements there

since it is not only against relevant norms of the international law, but also disadvantageous to the Middle East peace process.

He said the Chinese Government condemns the Israeli authorities for dispersing the Palestinians in the West Bank and their proposed establishment of a "greater Israel."

He said: "we firmly support the just cause and reasonable demands of the Palestinians and other Arab peoples. As a permanent member of the UN Security Council, China will, as always, work energetically to promote an early, just and reasonable settlement of the Middle East question."

Israel Plans Non-Governmental Beijing Office

HK0302015790 Hong Kong SOUTH CHINA MORNING POST in English 3 Feb 90 p 6

[From Seth Faison in Beijing]

[Text] Israel will establish a non-governmental office in Beijing next month in what diplomats called the first concrete step towards normalising relations with China.

The Beijing office, ostensibly for academic liaison, is expected to act as a de-facto consular legation until full diplomatic ties are established, diplomatic sources said yesterday.

It will complement the official opening this week of a Chinese travel office in Tel Aviv, said an Israeli consular official in Hong Kong.

Formally, China still sides with Arab claims over land seized by Israel in 1967, and maintains good relations with the Palestine Liberation Organization.

Yesterday, for example, Chinese officials in Geneva condemned Israel for a "wanton violation" of human rights in the occupied territories, the NEW CHINA NEWS AGENCY reported.

But privately, Chinese leaders have cooperated with their Israeli counterparts for at least ten years, especially in arms sales.

In April, 1989, the SOUTH CHINA MORNING POST documented a secret trip to China by five Israeli scientists to negotiate a deal for upgrading China's missile technology.

The new office in Beijing is not expected to be used for arms negotiations, and will begin by finding areas of common academic concern, like agricultural production.

A Western diplomat said: "It will probably be a lot like the non-official exchanges China had with Western countries during the 1970s."

The two governments last year agreed in principle on opening the office in Beijing during a meeting between their two foreign ministers, Mr Qian Qichen and Mr Moshe Arens, at the United Nations.

Representatives from Israel's National Academy of Sciences visited Beijing late last year and are expected to return this month.

Israeli officials in Hong Kong said the office would officially be opened next month.

The Chinese International Travel Service office in Tel Aviv began operation last autumn with seven Chinese staff.

The former Israeli consul-general in Hong Kong, Mr Reuven Merhav, now director-general at the Israeli foreign ministry, is said to have played an important role in negotiating with Chinese officials about setting up the office.

Israeli tourists were normally blocked from receiving visas to China until July 1988.

Scholars and specialists from Israel largely halted their visits to China after the crackdown against protesters last June, but they appear to have begun again.

Overall ties have gradually improved, and the President, Mr Yang Shangkun, said during a visit to Egypt last December that China might form official relations if the conditions were right.

East Europe

Ministry Protests Dalai Lama Visit to CSSR

OW0302074590 Beijing XINHUA in English 0735 GMT 3 Feb 90

[Text] Beijing, February 3 (XINHUA)—A responsible member of the Department of Soviet and East European Affairs of the Chinese Foreign Ministry today summoned the Czechoslovak ambassador to China and lodged a protest against the Dalai Lama's visit to Czechoslovakia at the invitation of Czechoslovak President Havel, which started on February 2.

The official pointed out that the Czechoslovak president's insistence on inviting the Dalai Lama to Czechoslovakia in disregard of the solemn position made clear to him in advance by the Chinese side constitutes a gross interference in China's internal affairs, and has harmed the traditional friendship between the two peoples and the friendly relations between the two countries.

He stated that in the present circumstances, the Chinese Government could not but postpone the visit to China by the Czechoslovak minister of metallurgy, engineering and electrotechnical industry, scheduled to take place as of February 17.

Political & Social

Yang Baibing Criticizes Fang Lizhi, Liu Binyan

HK0202135790 Hong Kong AFP in English
1336 GMT 2 Feb 90

[Text] Beijing, Feb 2 (AFP)—Prominent Chinese dissidents Fang Lizhi and Liu Binyan were accused Friday of soiling the spirit of Lei Feng, who was touted as China's model soldier during the Cultural Revolution and is now back in vogue.

The latest of numerous attacks on the two dissidents was made by General Yang Baibing, younger brother of Chinese President Yang Shangkun, in a letter to the country's young people published in the daily CHINA YOUTH NEWS.

He wrote that Mr Fang and Mr Liu, "two eminent advocates of bourgeois liberalization"—as China refers to Western-style democracy—"have heinously attacked and dehumanized the spirit of Lei Feng, asserting that the concept of Lei Feng is old and out-of-date."

Gen Yang, named last November as general secretary of the Communist Party's powerful Central Military Commission, urged Chinese youth to take inspiration from Lei Feng, a "valuable principle in the past, the present and who will remain so in the future."

He cited the threat of "hostile forces abroad that wish to overthrow the Chinese Communist Party leadership."

The legend of Lei Feng, a model soldier always serving the people, was popularized across China by Mao Zedong during the 1966-76 Cultural Revolution. The Chinese were regularly urged to look to him as an example of selflessness, loyalty and patriotism.

Mr. Fang, an astrophysicist, took refuge in the U.S. Embassy in Beijing after the Chinese authorities crushed the democracy movement in June and charged him with "counter-revolutionary crimes."

Mr Liu, an author and journalist, has also been branded as a traitor. He has lived in the United States since 1988.

Both men were expelled from the Communist Party in January 1987 following a wave of student-led demonstrations for democracy.

Deng's Book on Army Building Published

HK0502025190 Beijing RENMIN RIBAO in Chinese
23 Jan 90 p 3

[Report by Zeng Yin (2582 5419) and Jin Cheng (6855 1004): "The Book 'Study of Deng Xiaoping's Thinking on Building the Army in the New Period' Published"]

[Text] The book "Study of Deng Xiaoping's Thinking on Building the Army in the New Period," written by Colonel Yang Chunchang, has been published by the Jiefangjun Publishing House. The 300,000-character

book has five parts and 16 chapters. This is the first theoretical monograph on Deng Xiaoping's thinking on building the Army in the new period. The author properly combined theory with practice and provided many valuable opinions on the Army's revolutionization, modernization, and regularization in the new period. The manuscript was checked and approved by General Chi Haotian, the chief of general staff, Lieutenant General Jiang Siyi, a deputy commandant of the Academy of Military Sciences, and other experts and scholars before the book was published.

Yang Shangkun Writes Preface for Military History

HK0302022690 Beijing RENMIN RIBAO in Chinese
21 Jan 90 p 3

[Article by Yang Shangkun (2799 1424 2492): "Preface to the Book 'Ten Years of Hard Struggle'"]

[Text] The book "Ten Years of Hard Struggle" portrays the fighting history of the Red Army No 2 Corps under the leadership of He Long [6320 7893], Zhou Yiqun [0719 6654 5028], and later, Ren Bianshi [0117 1732 2514], and Guan Xiangyin [7070 0686 2019] between 1927 and 1936.

In the wake of the defeat of the great revolution, communists in Hunan and Western Hubei, under the leadership of He Long, Zhou Yiqun and Duan Dechang [3008 1795 2490] mobilized workers and peasants to initiate armed struggle. Consequently, their forces came into being from nothing, developed from small to large, until the Red Army No 2 Corps was founded. The Corps waged heroic struggles around Dongting Lake, the Wuling Mountain ranges, along the banks of the Chang Jiang, and north and south Hanshui; they smashed enemy encirclements on several occasions, and initiated one of the three Soviet regions, the Hunan-Western Hubei Soviet Region, during the period of the agrarian revolution.

In 1934, the Red Army No 2 Corps effected a junction with the Red Army No 6 Corps under the leadership of Ren Bianshi, Xiao Ke [5135 0344], and Wang Zhen [3769 7201] moving toward Eastern Guizhou, in the wake of its breaking through an encirclement. They launched an offensive against the enemy, and rapidly recovered and enlarged the Hunan-Hubei-Sichuan-Guizhou Soviet Region. After the Central Red Army had pulled out from the Jiangxi Soviet Region, and moved toward the west, the Hunan-Hubei-Sichuan-Guizhou Soviet Region was placed at the strategic forefront, and directly posed a threat to the enemy's military, political and economic central region. In their offensive launched in Western Hunan, the No 2 and No 6 corps encircled Changde, occupied Taoyuan, posed a threat to Changsha, attracted more than ten-fold enemy forces around them, and powerfully fought in coordination with the Long March of the Red Army.

In November 1935, when the Red Army No 2 and No 6 Corps began their long march, they adopted flexible strategy and tactics, attacking to the east, then to the west, and enjoyed complete freedom in their movement;

while they succeeded in breaking through the encirclement, pursuit, and interception of some 130 enemy regiments. During their transfer from one place to another they mobilized the masses, enlarged the troops, amassed materials and equipment, and founded provisional bases in western Guizhou, Dading, and Bijie. When the troops succeeded in crossing the Jinsha River, they maintained the same number of men as at the beginning of the long march, despite going through many cruel battles, arduousness, and difficulties.

In July 1936, the Red Army Second Front Army was organized in accordance with a central decision. Subsequently, it became one of the three major forces of the Red Army, the No 2 corps was its important component part. In crossing snow-covered mountain ranges and grassland, the most arduous section in the long march, hunger, cold, anoxia and other diseases killed many cadres and soldiers. Having gone through all sorts of difficulties in the spirit of fearing neither hardship nor sacrifice, they finally arrived in Gansu, and successfully joined forces with the Red Army First Front Army at Taibao. It was then that the three main forces of the Red Army completed the great task of the long march, and created an unprecedented miracle on earth.

Like the rest of the entire Workers' and Peasants' Red Army, the Red Army No 2 Corps waged untold arduous and heartbreaking struggles during that 10 years. The book "Ten Years of Hard Struggle" gives a faithful portrayal of that struggle. It has collected reminiscences written by many veteran comrades, including Marshal Chen Yi and Senior General Xu Guangda. These articles told of their personal experiences and lessons, and are genuinely touching. Young comrades may get some inspiration from reading them, and even old comrades including myself may find them helpful. When we are realizing the great cause of the four modernizations and invigorating the Chinese nation, it is all the more necessary for us to inherit and bring forward the staunch, unbent faith and uttermost loyalty in revolutionary ideals and cause; the revolutionary spirit of fearing neither difficulties nor death; advancing wave upon wave, pressing forward with indomitable will; the lofty character of plain living and hard struggle; wholehearted devotion to public duty, and serving the people heart and soul; as well as the fine style of establishing close ties with the masses, sharing a common fate with them of one heart and one mind. Here I extend my congratulations on the publication of the book "Ten Years of Hard Struggle."

Song Jian Stresses High Tech Development

SK0502040890 Jinan Shandong Provincial Service
in Mandarin 2300 GMT 4 Feb 90

[Text] In conducting investigations and studying our province, Song Jian, state councillor and minister in charge of the State Science and Technology Commission, stressed that in the 1990's, cities and developed areas should attach great importance to the development of

high-technology industries in order to promote scientific and technological progress and the development of the national economy.

Comrade Song Jian and his party arrived in our province on the second day of the first lunar month. Accompanied by Gao Changli, Standing Committee member of the provincial party committee and provincial vice governor, and other comrades, Comrade Song Jian braved wind and snow to travel day and night. He visited factories, rural areas and scientific research units in Weifang, Shouguang, Zhucheng, Anqiu and Changle. On the morning of 3 February, he heard a report on our province's economic as well as scientific and technological work given by provincial Governor Zhao Zhihao. During his stay in Jinan, he visited the provincial academy of agriculture, the Jinan No 1 Machine Tool Plant, and the (Qinghe) village of (Beiyuan) town in the company of Jiang Chunyun, secretary of the provincial party committee, Zhao Zhihao, provincial governor, and He Guoqiang, secretary of the Jinan City party committee.

After seven days of investigations and study in our province, Comrade Song Jian gave a speech. He said: I am very pleased to have the opportunity to come to Shandong to conduct investigations and study during the Spring Festival period. I have been deeply impressed by the areas I visited. Since the third plenary session of the 11th party Central Committee, Shandong has achieved rapid economic development. In particular, it has shown its ability in the country over the past few years. With a stable society and political situation, Shandong has good prospects for development.

Comrade Song Jian pointed out: A new system should be established in order to develop agriculture through science and technology. We should establish a scientific and technical service system in rural areas that suits the characteristics of China in order to lead peasants out of the state of the natural economy. This work may be carried out two ways. First, governments may organize scientific and technical service themselves. Second, non-government scientific and technological associations may be developed. In this way, a network of scientific and technical service can be established in all localities to make it possible for science and technology to widely develop their role.

Comrade Song Jian emphasized: We should attach great importance to the development of high-technology industries, which is the direction of the development of the world. The most important target of high-technology industries is economic results. The economic results of high-technology industries are ten to a dozen times greater than those of traditional industries. Therefore, cities and developed areas should greatly develop high-technology industries in the future. They should create an open environment to attract investment and trained personnel for high-technology. As a coastal province,

Shandong is better developed economically, and possesses good conditions for developing high-technology industries. It should take the lead in the country in this aspect.

State Councillor Li Tieying Surveys Hainan

HK0202031990 Haikou Hainan Provincial Service
in Mandarin 2300 GMT 1 Feb 90

[Text] According to HAINAN RIBAO, State Councillor Li Tieying conducted an on-the-spot investigation and study in various parts of our province from 26 January to 1 February. Li is also a member of the CPC Central Committee Political Bureau and minister of the State Education Commission.

During the period, he visited factories, rural areas, government offices, schools and Army units in Haikou, Wenchang, Wanning, Lingshui, Sanya and (Fengda) to exchange views with grass-roots cadres and the masses of the people; to inquire about local industrial and agricultural production, economic development and the people's life, and especially about the development of education in those places; to sum up experiences with them; and discussing the future orientation of development. Education was the focal point of his investigation during the visit. In Wenchang, Sanya and (Fengda) as well as the South China Subtropical Crops Institute and the South China Subtropical Crops Research Center, Comrade Li Tieying held special discussion meetings with comrades of local education circles. On the occasion, Li Tieying emphasized: Education should be adhered to the orientation of socialism, serve economic construction, and be combined with productive labor. Meanwhile, vocational education should be intensified around the central task of economic construction so that most students will be proficient in a particular line and become useful laborers for society after graduation. If students attain special production skills and [words indistinct], this will be good for both themselves and society. Intensifying vocational education is to meet the needs of reform and also [words indistinct]. In Hainan, education appropriations are limited, so the people's education should be run by the people. According to our past experience in running education, education is a matter not only of the state but also of the people. When the state is having problems, in order to put an end to the backwardness of education it is necessary to arouse all social sectors to raise funds.

Comrade Li Tieying was also very concerned about the work of shaking off poverty in the minority areas of our province. After making an on-the-spot survey, he suggested combining education with the work of casting off poverty. The root cause of poverty in the backward areas is, in fact, backward education. If people do not acquire scientific and cultural knowledge and if ignorance is not uprooted, it is impossible to [words indistinct]. Therefore, we should give more attention to education in the minority areas.

Comrade Li Tieying also made an investigation and study of family planning, the work of eliminating the six vices, and the cultural and public health work of our province.

Li's visit was accompanied by officials from some state organizations as well as Hainan provincial party and government leaders Xu Shijie, Liu Jianfeng, Meng Qingping and Xin Yejiang.

Paper Predicts CPC Leadership Changes

HK0502021390 Hong Kong HONGKONG STANDARD
in English 5 Feb 90 p 6

[Text] Beijing: China's ageing rulers are engaged in intense jockeying over national policy and a possible reshuffling of Communist Party and government posts, Chinese officials say.

The bargaining may result in changes in the leadership and determine what political and economic directions China will take in the aftermath of the violent crack-down on dissent last June, officials say.

The two main protagonists facing what may be their last contest are Deng Xiaoping, the 85-year-old senior leader, who favours continued economic liberalisation, and Chen Yun, 84, the mastermind of central planning.

Mr Chen is little known in the West and he has appeared in public only once in the past two years.

By the time he retired just over two years ago, he had served on the Communist Party Central Committee for 56 years and on the Politburo for more than four decades, in both cases longer than Mr Deng.

He is backed by leaders such as Peng Zhen, a former leader of the legislature, and Deng Yingchao, the widow of Prime Minister Zhou Enlai, making up in part for what he lacks in prestige compared with Mr Deng.

For all the complex jockeying taking place, Mr Deng and Mr Chen are not feuding.

They are friends and colleagues as well as rivals, and their intertwined co-operation and competition has lasted for many years.

They were able to agree in May on the selection of Jiang Zemin as party leader, and it is assumed that they will continue to bargain with each other and maintain official harmony despite their disagreements on policy.

That the main competition is among the retired patrons rather than the proteges whose careers are at stake is characteristic of China.

The jockeying was described by several Chinese officials with independent access to high-level information.

So far, it is not clear whether firm decisions have been made, and some officials are sceptical that an agreement

can be reached in the coming months on any major shift in government and party posts.

A resolution is likely to involve compromise by both sides so that a consensus can be maintained in the circle of about a dozen octogenarians who hold ultimate power in China.

The only change that several officials said was already largely settled was the resignation of 72-year-old Yao Yilin as deputy prime minister, which they said would take place at the close of the National People's Congress in April.

One official said that President Yang Shangkun, 82, would retire at the same time, and others said that there was pressure on Prime Minister Li Peng to accept a shift to the less powerful post of president or head of the Congress.

Other officials predicted that Mr Yang and Mr Li would retain their positions, mainly because of a need to maintain continuity.

"It's very tense now in the leadership because of the personnel decision," said a Chinese with high connections.

"It'll be tense until things are decided before the National People's Congress."

Mr Deng is said to favour the removal of Mr Yao and Mr Li from their posts, and a renewed emphasis on economic restructuring and improved relations with the West.

Mr Chen is a patron of Mr Yao and Mr Li and opposes the transfer at least of Mr Li.

But he might be willing to sacrifice both if they were given other posts, like the presidency or head of the congress, and if he gained some valuable bargaining chips.

Mr Chen is believed to favour the promotion of Zou Jiahua, the recently appointed head of the Planning Commission, to an even higher post.

One official said the central planners also want the right to criticise the ousted party leader, Zhao Ziyang, and his market-oriented economic policies.

The most common, though not universal, view seems to be that Mr Deng has the upper hand, although nobody knows if he will press harder for policies or for personnel changes.

"Deng is clearly ahead now," said a Chinese official who has been reliable in the past.

The official said that Mr Deng had succeeded in moderating hard-line economic policies.

CYL Issues Views on CPC Leadership Circular

OW0302093290 Beijing Domestic Service in Mandarin
1030 GMT 2 Feb 90

[From the "National Hookup" program]

[Text] The Central Committee of the Communist Youth League [CYL] today issued its opinions on implementing the CPC Central Committee's Circular on Strengthening and Improving Party Leadership over the Work of the Trade Union, the CYL, and the Women's Federation.

The secretariat of the CYL Central Committee studied and discussed the CPC Central Committee's Circular on Strengthening and Improving Party Leadership Over the Work of the Trade Union, the CYL, and the Women's Federation soon after it was issued. It has also relayed the document to members attending the Second Plenary Session of the 12th CYL Central Committee as well as representatives attending the national meeting of secretaries of the CYL committees of 80 large enterprises. On top of that, in connection with the work arrangements of the entire CYL this year, it has organized study sessions and discussions for cadres at and above the department level of government offices, as well as responsible persons of the subordinate units.

The provincial, autonomous regional and municipal committees of the CYL have also held meetings and other activities to relay the document.

It was their unanimous view that this circular is the most systematic, all-inclusive, and programmatic document that the party Central Committee has ever adopted in the past 40 years since the founding of the PRC as far as strengthening and improving party leadership over mass organizations is concerned. Earnestly implementing the guidelines of the circular is of utmost importance to reinforcing the CYL in its ideology and organization, and to consolidating and developing political stability and unity, as well as the great achievements in construction and reform.

At present CYL organizations at all levels should give top priority to earnestly studying and implementing the guidelines of the circular, and make sure that this matter is closely attended to.

The main points of the opinions are:

1. Earnestly study and thoroughly understand the essence of the guidelines of the document;
2. Create a new situation in the work of the CYL by keeping in mind the overall interest, which is social stability;
3. Concentrate the energy on ensuring a wholesome development of the CYL, which is required to better bring out the progressive role and mass nature of the CYL;
4. Earnestly follow the principle of attending to the work at the grassroots, understanding the current situation,

and implementing the guidelines; and shift the emphasis of work to the CYL organizations at the grassroots;
5. Create favorable external conditions for the work of the CYL by perfecting its policy.

Statistics Chief Opens Series on Conditions

OW0402222590 Beijing Domestic Service in Mandarin
2230 GMT 31 Jan 90

[Recorded talk by Zhang Sai, director of the State Statistics Bureau; first in the "Random Talks on the Condition of the Country" series sponsored by the Central People's Broadcasting Station in cooperation with the State Statistics Bureau—from the "News and Press Review" program]

[Text] Listeners, in order to help you understand our country's situation and its capabilities, this station and the State Statistics Bureau are jointly sponsoring a special program called Random Talks on the Condition of the Country, which will be broadcast in our News and Press Review program. Today, we will ask Zhang Sai, director of the State Statistics Bureau, to talk about this program. Let us listen to his recorded talk.

[Begin Zhang recording] Comrade listeners, how are you? The special program Random Talks on the Condition of the Country, jointly sponsored by the Central People's Broadcasting Station and the State Statistics Bureau is formally inaugurated today. In this special program, we will offer ample and detailed statistical data plus lively and concrete analyses to explain, in a comprehensive and concrete way, the conditions and capabilities of our country and to inspire your feelings of ardent love for the motherland.

In the past 40 years since the founding of New China, particularly in the past 10 years since China started to implement the reform and open policy, we have, under the guidance of Marxism and the leadership of the CPC and thanks to the self-reliant and hard-working efforts of the people of all nationalities throughout the country, made tremendous achievements in socialist construction and in implementing the reform and open policy. China's economic strength has grown significantly, the material and cultural living standard of the people in both urban and rural areas has risen notably, and great strides have been made in the development of education, science and technology, culture, public health and physical culture and sports. China has transformed from a country of poverty and blankness, a country where scenes of devastation met the eye everywhere, and a country of semicolonialism and semifeudalism into a socialist country with the beginning of prosperity. This glorious exploit of ours has won worldwide recognition and will be etched in history.

We have had no experiences on which to draw lessons to help in our efforts to initiate a great cause never before attempted and to carry out socialist construction and the reform and open policy in a big country with such extremely complicated situations as ours. For this

reason, we have traversed a road of many twists and turns and bumps in our advance to build New China. We have to make enormous efforts and sacrifices for every forward stride we make. We have made several serious mistakes in the past 40 years. At present, we face such problems as inflation, financial deficits, and an imbalance between supply and demand.

Looking back to the cause of the mistakes we have made, we find that one major reason behind every mistake is that we have either failed to really understand or have forgotten about the national conditions. We have not been able to have an accurate grasp of our national capabilities or to scientifically utilize them. As was pointed out in the decision of the Fifth Plenary Session of the 13th CPC Central Committee, the most important lesson we have learned in the course of developing the economy in China in the past 40 years is that we have made the mistake of being impatient for success regardless of national conditions and beyond the state's capability, resulting in marked ups and downs. Therefore, we must conscientiously sum up our experience to draw lessons. We must, at all times and under all circumstances, persist in proceeding from China's national conditions, pluck up our national spirit, strengthen national consciousness, and do away with the erroneous ideas such as underestimating our own capabilities and becoming resigned to our backwardness or becoming afflicted with parochial arrogance and conceit. We must consolidate the achievements we have made and adopt effective measures to solve the problems we face. As long as the people of the whole country persist in the four cardinal principles, which represent the fundamental foundation of the country, and take the road of reform and opening to the outside world—which is the road to build China into a powerful country—we definitely will be able to advance from one victory to another in carrying out socialist construction in our great motherland.

Thank you, comrade listeners. [end recording]

Statistical Bureau Cited on Population Increase

OW0202195590 Beijing XINHUA in English
1531 GMT 2 Feb 90

[Text] Beijing, February 2 (XINHUA)—The population of China's mainland at the end of 1989 totalled 1,111.91 million, 15.77 million more than the year before, according to sample surveys by the State Statistical Bureau.

The birth rate on the mainland was 20.83 per thousand last year, an increase of 0.05 per thousand over the previous year.

The death rate in 1989 was 6.5 per thousand while the natural growth rate was 14.33 per thousand, 0.13 per thousand above the 1988 figure.

The bureau attributed the increase in the birth rate and natural growth rate to the increase in the number of

women of child-bearing age. According to the bureau, 5.75 million Chinese women entered child-bearing age last year.

Population experts estimate that the number of women aged 21 to 29 will increase at an annual rate of six million during the 1989-91 period.

Regulations Viewed on Rights Infringement

*HK0502080190 Beijing RENMIN RIBAO in Chinese
25 Jan 90 p 6*

["Regulations Specifying Requirements of Placing on File Cases of Infringement on Personal Rights or Negligence of Duties To Be Directly Handled by the People's Procuratorate (Adopted at the 27th Session of the 7th Procuratorial Committee of the Supreme People's Procuratorate)"]

[Text] These regulations are in accordance with "the Criminal Law of the PRC," "the Law of Criminal Procedure of the PRC," and other relevant laws, and take into consideration judicial practice.

I. Cases Concerning Serious Accidents (Article 114 of the Criminal Law)

If a staff member or worker of a factory, mine, forest, construction enterprise, or other enterprise or business unit, or an employee of an organization jointly operated by the masses or by an individual entrepreneur, out of disobedience to management breaks regulations or forces his workers to break regulations by engaging in risky work that results in death, serious injury, or great economic loss, and if his act falls into one of the following categories, his case will be placed on file:

1. An act that leads to one or more deaths, or to the serious injury of three persons or more;
2. An act that leads to an economic loss of 50,000 yuan or more;
3. An act that leads to an economic loss of less than 50,000 yuan, but is serious enough to halt production or greatly hinder work;

II. Cases Concerning Inquisition by Torture and the Extortion of Confessions (Article 136 of the Criminal Law)

If a state employee tortures an offender or does anything that constitutes torture in order to extort an oral confession from him the offender, and if his act falls into of the following categories, he will have his case placed on file:

1. Extorting a confession by torture to vent one's anger;
2. Extorting a confession by torturing many persons or torturing on many occasions;
3. Extorting a confession by cruel torture, thus causing bad influence;
4. Extorting a confession by torture that results in injustice and erroneous judgment;
5. Extorting a confession by torture, thus wounding or crippling a person, causing his death or insanity, or making him commit suicide;

6. Extorting a confession by torture, thus causing other serious results.

III. Cases Concerning Making False Charges (Article 138 of the Criminal Law)

If a person intentionally fabricates a story of a criminal act against another person (who may be a criminal) by reporting it to a state organ or by using a method that leads to a judicial organ holding that person responsible, in an attempt to make him liable to criminal punishment, and if his act falls into one of the following categories, he will have his case placed on file:

1. Intentionally fabricating a story of a criminal act against another person so as to make him criminally responsible, and reporting the fabricated story to a state organ himself or by a third person on his behalf;
2. Intentionally fabricating a story of a criminal act against another person so as to make him criminally responsible, and using a method that makes the judicial organ hold him responsible rather than reporting the fabricated story to a state organ directly.

IV. Cases Concerning a Breach of the Electoral Law (Article 142 of the Criminal Law)

If a person violates the stipulations of the Electoral Law or prevents an elector from freely exercising his right to participate in an election or his right to be elected by ruining the election through such unlawful means as using violence against, threatening, deceiving, or bribing him, and if his act falls into one of the following categories, he will have his case placed on file:

1. Forcing an elector to vote or preventing him from voting for a candidate, or forcibly declaring void the results of a lawful election by such unlawful means as using violence against, threatening, deceiving, or bribing him;
2. Forging electoral documents or ballots, making a false report about the number of ballots, or intentionally disturbing the order of an election station in which an election is being held to a serious degree;
3. Suppressing or taking revenge on a citizen, to a serious degree, who complains about or discloses corruption, bribery, or an act that is in breach of the law or discipline during the election period;

V. Cases Concerning Illegal Detention or Imprisonment (Article 143 of the Criminal Law)

If a person deprives another person of his right to personal freedom by detaining him or by any other forcible means, and if his case falls into one of the following acts, he will have his case placed on file:

1. A state employee unlawfully detains an innocent person by abusing his powers, thus causing bad influence;
2. Unlawfully detaining a person and tying up, beating, or insulting him;
3. Unlawfully detaining a person on many occasions; or detaining many persons; or detaining a person for a rather long duration of time;

4. Unlawfully detaining a person, thus causing serious injury, death, or insanity or causing him to commit suicide;
5. Unlawfully detaining a person, thus causing other serious consequences.

VI. Cases Concerning Unlawful Limitation of Freedom and the Unlawful Entry and Search of Another Person's House (Article 144 of the Criminal Law)

If a person limits another person's personal freedom to a serious degree by forcible means, he will have his case placed on file:

If a person from an organ, body, or unit searches another person or his house without permission, or if he abuses his powers to make an unlawful search, and if his acts falls into one of the following categories, he will have his case placed on file:

1. Unlawfully searching another person's body or house to a serious degree;
2. Unlawfully searching another person's body on many occasions or searching many houses, thus causing very bad influence;
3. Making an unlawful search that leads to the person searched committing suicide or that causes serious damage to his property;
4. Making an unlawful search that leads to other serious consequences;

If a person unlawfully and forcibly trespasses on another person's property, hindering his normal life or security, and if his act falls into one of the following categories, he will have his case put on file:

1. Unlawfully and forcibly trespassing on another person's property and refusing to leave when requested or instructed to do so, thus seriously hindering the other person's normal life or security;
2. Unlawfully and forcibly trespassing on another person's property and damaging or taking away his daily necessities, thus seriously hindering his normal life;
3. Unlawfully and forcibly trespassing on another person's property and making trouble by placing the body of a dead person there, thus seriously hindering the other person's normal life;
4. Unlawfully and forcibly trespassing on another person's property and closing his house so that the other person can no longer live there;
5. Unlawfully and forcibly trespassing on another person's property, thus causing other serious consequences.

VII. Cases Concerning False Charges Made Out of Revenge (Article 146 of the Criminal Law)

If a state employee abuses his powers to get his revenge on another person who has accused him, reported him for an offense, or has criticized him; a witness; or a law enforcement officer, and if his act falls into one of the following categories, he will have his case placed on file:

1. Making a false accusation against another person out of revenge, with the result that his personal rights, democratic rights, or other legal rights are seriously infringed upon;

2. Making a false charge against another person out of revenge by a disgusting means;
3. Making a false charge against another person out of revenge with the result that he becomes insane or commits suicide;
4. Making a false charge against another person out of revenge, thus causing other serious consequences.

VIII. Cases Concerning the Deprivation of the Freedom of Religion of a Citizen and Interference With the Local Customs of Minority Nationalities (Article 147 of the Criminal Law)

If a state employee unlawfully deprives another person's due freedom of religion, or forcibly interferes with or breaks the local customs of a minority nationality, and if his act falls into one of the following categories, he will have his case placed on file:

1. Forcibly interfering with another person's religious activities, or forcing him to recant or to accept another religion or another sect, to a serious degree, causing serious consequences and very bad influence;
2. Unlawfully closing or demolishing a legal religious site or other religious facility;
3. Forcing a minority nationality to change its local customs or unlawfully interfering with or breaking its local customs, thus causing an ethnic dispute;
4. Unlawfully depriving another person's freedom of religion and interfering with the local customs of a minority nationality, thus causing other serious consequences.

IX. Cases Concerning the Production of False Evidence (Article 148 of the Criminal Law)

In the process of investigating and trying a person, if a witness, expert witness, recorder, or translator intentionally traps another person; conceals evidence of his guilt for him; intentionally produces false evidence or makes a false judgment, recording, or translation regarding the important details related to the case, or if a state employee destroys, conceals evidence of guilt, or fabricates false evidence for an economic criminal, and if his act falls into one of the following categories, he will have his case placed on file:

1. Producing false evidence with the result that another person is subject to criminal penalty or to a serious punishment for a petty crime;
2. Producing false evidence so that a criminal escapes criminal punishment or is lightly punished for a serious crime;
3. Producing false evidence that results in injustice or an erroneous judgment;
4. A state employee uses his powers to destroy the evidence of guilt or to fabricate false evidence for an economic criminal;
5. Producing false evidence with the result that another person commits suicide or becomes insane;
6. Producing false evidence, thus causing other serious consequences.

X. Cases Concerning the Infringement on the Right of Correspondence (Article 186 of the Criminal Law)

If a person infringes on another person's freedom of correspondence by hiding, destroying, or unlawfully opening his correspondence, and if his act falls into one of the following categories, he will have his case placed on file:

1. Hiding, destroying, or unlawfully opening another person's correspondence on many occasions, or hiding, destroying or unlawfully opening much of his correspondence;
2. Hiding, destroying, or unlawfully opening another person's correspondence, thus seriously hindering his work or life, or seriously damaging his body or mental health;
3. Unlawfully opening another person's correspondence and altering its contents, disclosing its private contents, or insulting or defaming him;
4. Hiding, destroying, or unlawfully opening another person's correspondence, thus causing other serious consequences.

XI. Cases Concerning the Disclosure of State Secrets (Article 186 of the Criminal Law)

If a person breaks the regulation governing the protection of state secrets by intentionally or negligently disclosing state top secrets, and if his case falls into one of the following categories, he will have his case put on file:

1. A state employee breaks the state regulations governing the protection of state secrets, intentionally or negligently disclosing state top secrets, to a serious degree;
2. An employee other than a state employee intentionally or negligently discloses state top secrets to a serious degree.

XII. Cases Concerning Negligence of Duties (Article 187 of the Criminal Law)

If a state employee is so negligent of his duties that he causes great damage to public property or to the interests of the state and people, and if his act falls into one of the following categories, he will have his case put on file:

1. Negligence causing death to one person or more, or serious injury to three persons or more;
2. Negligence causing a direct economic loss of 50,000 yuan or more;
3. Negligence causing decay or change in the quality of, or loss in grain of 50,000 kilograms or more, or leading to the theft of 100,000 kilograms of grain or more, or to theft of oil coupons with a total face value of 100,000 kilograms or more;
4. Negligence causing a financial loss less than the stipulated amount but serious enough to cause a great loss to work or production;
5. Negligence causing serious political influence;
6. If a state employee holds an economic criminal guilty but does not do so according to the laws or is prevented from carrying out his duties according to legal stipulations.

XIII. Cases Relating to Fraudulent and Impartial Practices (Article 188 of the Criminal Law)

If a state employee brings a charge against another person that he knows to be innocent; intentionally protects or fails to bring charges against another person that he knows is guilty; intentionally confuses right and wrong by passing an unfair sentence; uses his powers to practice fraud or impartiality; protects or conceals an economic criminal or conceals or covers up his criminal act; and if his act falls into one of the following categories, he will have his case put on file:

1. A judicial employee resorts to fraudulent or impartial practices by subjecting a person that he knows to be innocent to prosecution;
2. A judicial employee resorts to fraudulent or impartial practices by intentionally protecting him, with the result that the guilty person is goes free;
3. A judicial employee resorts to fraudulent or impartial practices by distorting the facts or breaking the law, or passes judgment or makes a decision that is contrary to the facts or to the law, to a serious degree;
4. A Customs employee, business administration department, tax department, or other law-enforcement department resorts to fraudulent or impartial practices by making an unfair decision or passing impartial judgments, to a serious degree;
5. A state employee uses his powers to give shelter to, conceal, or cover up the criminal evidence against a criminal who engages in smuggling, the illegal procurement of foreign exchange, speculation and profiteering, larceny, trafficking in narcotics, stealing and exporting precious cultural relics, or accepting bribes;
6. If a person who is a direct supervisor of an economic criminal knows about his crime but does not report it to the relevant departments and does not give factual evidence;
7. A judicial employee or law-enforcement officer who practices fraud or impartiality, thus causing serious consequences.

XIV. Cases Concerning the Torture of Persons Under Supervision (Article 189 of the Criminal Law)

If a judicial employee who is responsible for supervising a prison, detention center, reform-through-labor team, juvenile supervision center, custody center, or education-through-labor organ, breaks the regulations governing the supervision by carrying out corporal punishment on a person under supervision, and if his case falls into one of the following categories, he will have his case placed on file:

1. Carrying out corporal punishment by himself, or through someone else on his behalf, on a person under supervision, thus seriously wounding or killing him;
2. Carrying out corporal punishment by using a defensive weapon or a club, thus causing serious injury or death to the person under supervision;
3. Carrying out corporal punishment, thus making the person under supervision insane or commit suicide;

4. Carrying out corporal punishment on several persons that are under supervision, or carrying out corporal punishment on many occasions;
5. Carrying out corporal punishment, thus causing other serious consequences.

XV. Cases Concerning the Discharge of a Criminal Without Permission (Article 190 of the Criminal Law)

If a judicial official uses his powers to discharge a criminal unlawfully and without permission, or his act falls into one of the following categories, he will have his case placed on file:

1. A judicial official uses his powers to discharge a criminal unlawfully and without permission or instructs or asks someone else to discharge him;
2. A judicial official uses his powers to forge, change, or alter relevant legal documents with the result that a criminal can be discharged;
3. A judicial official uses his powers to grant a criminal the opportunity to escape or supplies him with information that enables him to escape;
4. A judicial official who knows things about an economic criminal or his crime but does not report it to the relevant departments or does not produce factual evidence, thus leading to his escape.

XVI. Cases Concerning Hindrances to Post and Communications (Article 191 of the Criminal Law)

If a post and communications employee uses his powers to open, hide, or destroy another person's letters or telegrams, and if his case falls into one of the following categories, he will have his case placed on file:

1. Opening, hiding or destroying another person's letters or telegrams on many occasions; or opening, hiding, or destroying a large number of post and telegrams;
2. Opening, hiding, or destroying another person's letters or telegrams so as to possess them;
3. Opening, hiding, or destroying another person's letters or telegrams, thus infringing on the legal rights and interests of the state, collectives, or citizens;
4. Opening, hiding, or destroying another person's letters or telegrams, thus causing other harmful consequences.

Construction of Shantou University Completed

OW0402182890 Beijing XINHUA in English
1455 GMT 4 Feb 90

[Text] Beijing, February 4 (XINHUA)—Construction on the Shantou University, donated by Hong Kong noted figure Li Ka-shing, has been completed in Shantou City and a ceremony will be held here on February 8.

Li Ka-shing, chairman of the Board of Directors of the Cheung Kong (Holdings) Ltd of Hong Kong, had the intention to sponsor the Shantou University in the late 1970's after his first visit to the Chinese mainland at the invitation of the State Council in 1977.

In May 1980, the Preparatory Committee of Shantou University was set up. It was approved by the State

Council in August 1981 and late Marshal Ye Jianying wrote an inscription for the university.

On January 1, 1984, Li Ka-shing attended the foundation stone laying ceremony of the university. Since then, he has paid attention to the construction, including providing foreign data, books and experience, sending engineers and technicians to offer consultancy and soliciting foreign professional advices for the management of the new university.

Now buildings with a total floor space of 200,000 square meters have been erected.

By the end of last October, Li Ka-shing had donated 370 million Hong Kong dollars (47.4 million U.S. dollars). During his visit to the university in November 1989, Li Ka-shing promised that he would donate another 200 million Hong Kong dollars (25.6 million U.S. dollars) for the development of the university.

Since the construction started, central, provincial and local authorities have also earmarked about 100 million yuan (21.2 million U.S. dollars) for the university.

With the support of the State Education Commission, eight other Chinese universities, including the People's University of China, the Fudan University, the Nanjing University, the Xiamen University, the Zhongshan University, sent some of their major teaching staff to the new university.

At present, it has 12 departments and a medical college. So far, 2,562 students have graduated from the university. It has set up ties with the University of Glasgow.

December Tourism Figure Highest Since May

OW0102211190 Beijing XINHUA in English
1452 GMT 1 Feb 90

[Text] Beijing, February 1 (XINHUA)—China hosted 103,200 overseas tourists in December last year, the highest monthly figure since the social unrest of May and June last year.

The country received 24.5 million overseas tourists in 1989, 6.5 percent higher than the country's adjusted annual plan, but a decrease of 22.7 percent compared with 1988, according to an official of the national tourism administration.

The majority of tourists came from Japan, the United States, the Soviet Union, the Philippines, Britain, Singapore, Thailand, France, Australia and the Federal Republic of Germany.

A total of 541,000 visitors from Taiwan came to the mainland last year, 23.6 percent more than in the previous year, the official said.

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*HK0502073990 Beijing RENMIN RIBAO in Chinese
31 Jan 90 p 6*

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Science & Technology**Fifth Communications Satellite Reaches Orbit**

*OW0402162490 Beijing XINHUA Domestic Service
in Chinese 1419 GMT 4 Feb 90*

[By reporter Xu Zhimin (6079 1807 2404)]

[Text] Beijing, 4 Feb (XINHUA)—At 2027 [1227 GMT], China again successfully launched an applied communications satellite at the Satellite Launching Center in Xichang.

The satellite was sent into elliptical orbit by a "Long March No 3" carrier rocket.

Data from the Xian Satellite Monitoring and Control Center shows the satellite moving according to the designed orbit and all the instruments on the satellite functioning normally.

Premier Li Peng, Vice Chairman Liu Huaqing of the Central Military Commission, State Councillor Zou Jiahua, and Chief of General Staff of the Chinese People's Liberation Army Chi Haotian watched the launching in Xichang or at the Beijing Command Center. Li Peng, on behalf of the party Central Committee, the State Council, and the Central Military Commission, extended warm greetings and cordial regards to all those who participated in the launching of the satellite. Li Peng also wrote an inscription for the successful launching of the satellite.

This is the fifth applied communications satellite launched by China. The successful launching of the satellite proves once again that China's communications satellite technology is mature enough to provide launching services for the international market.

Song Jian Views Role of Science, Technology

*OW0302195490 Beijing BEIJING REVIEW in English
No 4, 22-28 Jan 90 pp 16-18*

[Article by Song Jian, minister in charge of the State Science and Technological Commission: "The Key to Modernization—Science and Technology"]

[Text] At the start of the 1990s, it is important that we review the past in order to better plan for the future.

At the National Science Conference held in March 1978, Comrade Deng Xiaoping, on behalf of the party Central Committee, delivered an important speech in which he expounded on Marxist philosophy. He stressed that science and technology are key productive forces of the four modernizations, and that scientists and technicians are part of the working class. His thinking, thus, laid the theoretical foundation for policies regarding the country's scientific and technological work as it entered its new period of reform and opening to the outside world. The practice of the past ten years since the third plenary session of the 11th party Central Committee has shown that this thinking of his was absolutely correct.

In 1982, the party Central Committee and the State Council announced the strategic policy wherein economic construction would rely on science and technology, and the work of science and technology would, in turn, be oriented towards economic construction. In 1987, the 13th national party congress made this policy ever more specific by noting that the development of science, technology and education would take priority, and that economic construction would rely on scientific and technological progress in order to raise the quality of labourers.

Reform of China's scientific and technological system, an important component of the nation's development, began after the Decision of the CPC Central Committee on Reform of the Scientific and Technological System was announced in 1985. Practice indicates, to date, the basic success of the reform.

At present, the following situation has gradually emerged: science and technology are being oriented towards economic construction, society and the market. Most institutions concerned with technology development already take part, in some way, in economic construction. Technical results are increasingly commercialized, and various scientific research and production conglomerates have sprung up like mushrooms. Independent scientific research institutions operate under the director responsibility system and the contract responsibility system. With expanded decision-making powers, these institutions have become more dynamic and vigorous. Various entities which combine technology with industrial production and trade have thus become an important link between science, technology and the economy, provide new opportunities for the circulation of talented people and create an important condition for development of China's new, high-technology industry.

Over the past ten years, China has made significant achievements in science and technology. By the end of 1988, the number of professionals in natural sciences reached 9.66 million, twice as many as in 1979. Of this group, 700,000 are senior experts above the level of associate professor and more than 3 million above the level of engineer. These nearly 10 million people love their motherland and are steadfastly loyal to socialism and the people. They selflessly dedicate themselves to science, technology, education, economics and a host of other endeavours. They have made great contributions to the prosperity of their country and can be trusted and relied upon by both the party and people.

Without question, the vast number of scientific and technological personnel who fill China's economic and social development needs, and help to strengthen its national defence, have achieved many high-level scientific and technological breakthroughs by self-reliance and hard work. This is clearly evident in the more than 10,000 important scientific results achieved annually in recent years.

Prospects for the 1990s make us feel that today's achievements are not enough, that they are relatively minor compared with contributions China can and should make to mankind. Therefore, we must continue our efforts. Comrade Deng Xiaoping pointed out that science and technology are productive forces, and the most productive forces at that, and that science and technology could probably provide a solution to many problems. His words are a great encouragement to the scientific and technological circles. So, in the 1990s, we should be all the more devoted to the development of science and technology and rely on them to cope with the difficulties and challenges we face in economic construction.

It is also true, nonetheless, that the country's economic strength is the basis for the rapid development of modern science and technology. From a long-term point of view, then, it's clear that only by developing the economy can we provide enough funds, manpower and material resources

for the development of science and technology. Conversely, at the present time, the main force of science and technology must serve to build a strong economic base. This policy conforms with the people's interests and is required for scientific and technological development. For quite some time in the future; therefore, we must firmly implement the policy of relying upon science and technology for economic growth.

In recent years, State Council departments have laid down and put into motion various programmes for economic and social development by relying on scientific and technological progress. These include the programme for tackling difficult scientific and technological problems, the Spark programme, the technical knowledge spreading programme, the bumper harvest programme (or brilliant achievement programme), the high-tech research programme and the Torch programme. All these programmes were mapped out and implemented with China's present situation, future possibilities and international situation in mind. These and other scientific and technological efforts conducted in each province, municipality and autonomous region have greatly stimulated the enthusiasm of scientists and technicians, and played a positive role in economic construction. These programmes will continue to be implemented, enriched and updated according to actual needs. At the present primary stage of socialism, however, the material and financial resources offered by the government and society are very limited, and so, only by a unified, focused plan and a concentration of available resources can we achieve the desired results. Given the present economic strength, any attempt of developing science and technology in an all-round way or letting-it-go attitude on the part of industrial departments and local governments are unacceptable for the present and a long period to come. Lack of a unified, focused plan can only result in the weakening of the momentum of China's economic construction and of its scientific and technological progress.

Modern science and technology possess a strong international character, for every country and nation has made some contributions to their development one way or the other. It follows, thereby, that any country which wants to develop its scientific and technological undertaking rapidly must establish close international contacts; it must exchange information and form cooperative, yet challenging relationships.

The policy of opening to the outside world formulated by the Chinese Government in the 1980s and the international environment resulting from it greatly promoted the development of China's scientific and technological undertakings. Recently, the Chinese Government reaffirmed on several occasions that the opening policy will not only remain unchanged but be expanded. Therefore, all research institutions, colleges and universities and large and medium-sized enterprises will continue to practise this policy in their scientific and technological exchanges with foreign countries. This is of importance

and far-reaching significance for the exchange of knowledge, progress in scientific research, attraction of new technologies, renovation and transformation of equipment, nurturing of talented people and the development of new market opportunities. Any practice that violates this policy is bound to result in self-suffocation.

Historical experience also tells us that even under conditions of opening to the outside world, we cannot expect others to freely transfer high technologies to us. The development of modern science and technology requires, first and above all, reliance on the strength and wisdom of China's own scientists and technicians. Only through our own achievements can we be qualified to participate fully in international exchanges and cooperation. On this point, any impractical illusion is detrimental to the nation's interest.

China expects to quadruple its GNP by the end of this century. The burden is heavy and the road long, but our scientists and technicians, forever closely united with the people, will strive to fulfil this mission invested by history.

Economic & Agricultural

Papers Preview National SEZ Conference

Tian Jiyun To Preside

*HK0502035890 Hong Kong TA KUNG PAO in Chinese
5 Feb 90 p 1*

[Report: "Tian Jiyun to Make a Report at the National Conference on Special Economic Zones Today"]

[Text] Shenzhen, 4 Feb—The National Conference on Work in the Special Economic Zones will be convened from 5 through 8 February at the Shenzhen Guest House.

Tian Jiyun, vice premier of the State Council, will arrive in Shenzhen to preside over the conference.

The responsible persons of the State Council's departments concerned; the responsible persons of Guangdong Province, Fujian Province, and Hainan Province, as well as of the five special economic zones of Shenzhen, Zhuhai, Shantou, Xiamen and Hainan; and other relevant personnel—a total of more than 70 persons—will participate in this National Conference on Work in Special Economic Zones.

On the first day of the conference, Vice Premier Tian Jiyun will make a report, followed by a report on a special topic to be made by Shenzhen Special Economic Zone. After that, other special economic zones will make reports, and discuss and study the work in the special economic zones. On 8 February, Vice Premier Tian Jiyun will make a concluding remark.

According to our information, the National Conference on Work in Special Economic Zones will be held once a

year, to sum up the situation of implementation of the policies on reform and opening up in the special zones, and to discuss a further perfection of the measures for reform and opening up. Various special economic zones have spent a comparatively long period of time carrying out surveys and studies, and summing up experiences. Not long ago, Shenzhen Special Economic Zone studied the problem of opening up the second boundary and properly managing it, and of issuing a special zone currency, exploring a way to further carry out the reform and opening up.

Autonomy Issue Controversial

*HK0502021990 Hong Kong SOUTH CHINA
MORNING POST in English 5 Feb 90 p 8*

[By Willy Wo-lap Lam]

[Text] Central and regional officials are expected to engage in a fierce debate on the extent of autonomy to be granted to administrations in a meeting on the special economic zones (SEZs) to open today in Shenzhen, just across the border from Hong Kong.

The four-day National Work Conference on the Special Economic Zones will be chaired by the Vice-Premier, Mr Tian Jiyun, and attended by senior officials from the four special economic zones and the open cities, including Hainan Island, China's biggest "experimental zone".

The aim of the meeting is to lay down future directions of the zones, which were established at the behest of Mr Deng Xiaoping 11 years ago.

Chinese sources say that to reassure international investors, senior officials will probably re-commit the nation to the open door policy, including giving preferential treatment to foreign investors.

But during the closed-door meeting at the Shenzhen Guesthouse Beijing officials will probably lay down restrictions on the way officials run their economies.

The zones will also be called upon to make a larger financial contribution to central coffers, in line with the emphasis on "curing and restructuring" the economy.

The tone of the conference was set by Mr Li Ruihuan, member of the Standing Committee of the Politburo, who visited Shenzhen shortly before the Lunar New Year.

"We must insist on and never change the policy of reform and the open door," Mr Li told officials.

But Mr Li added that the economic zones "must be run better" and that "we must not disregard problems and difficulties because of the insistence on reform and the open door".

"While Beijing wants the zones and open cities to flourish, it wants to ensure that the local economies

subserve the national goal of recentralisation and retrenchment," a Western diplomat said.

Experiments which might jeopardise the stability of the national economy will probably be shelved.

Chinese sources say that proposals by liberal cadres in Shenzhen that the SEZ be allowed to issue its own currency or run its own customs will not be discussed.

At the same time, Beijing will probably lay down new regulations to discourage inland provinces from opening trading offices in the zones to take advantage of their laxer import and export rules.

Despite the fact that zones like Zhuhai are suffering from a business downturn in the wake of the June 4 Tiananmen Square crackdown, Beijing will probably ask for a larger share of the tax revenue of the SEZs.

On the other hand, Beijing is expected to give its approval to certain controversial measures to convince foreign investors of its commitment to reform.

Analysts say that at the conference, central-government officials will probably endorse the policy of letting foreign corporations lease plots of land for long-term development.

Officials hope they will also get the go-ahead for the auction of land-use rights and the sale of stocks and bonds to overseas concerns.

"Officials from the zones will probably argue that unless they can do 'special' things like auctioning land to foreign companies, the SEZs will be no different from the heartland and will lose their appeal to international investors," a Hong Kong-based China trader said.

"Hard-line planners in Beijing, however, have insisted that no exception should be made for SEZs in the implementation of national policy."

Declining Fixed Asset Investment Detailed

OW0402205190 Beijing XINHUA Domestic Service
in Chinese 1357 GMT 3 Feb 90

[By reporter Xu Kehong (1776 0344 3169)]

[Text] Beijing, 3 Feb (XINHUA)—China spent 400 billion yuan on investment in fixed assets during 1989, a year of economic improvement and rectification. This was 50 billion yuan less than the 1988 figure. A comrade of the State Council's leading group for screening of fixed assets investment projects, who disclosed this figure, commented that when price rises are factored in the real scope of reduction is even bigger.

To put an end to the swelling of fixed assets investment, in September 1988 the State Council set up the leading group for screening of fixed assets investment projects and appointed a leading comrade of the State Council to personally take charge. Over the past year, the group convened eight meetings and sent, on four occasions, 10

inspection groups headed by cadres at the vice ministerial level to various localities to inspect and supervise this work. The various localities and ministries charged the governors, autonomous regional chairmen, mayors, or ministers with personally supervising and ensuring smooth implementation of this work.

According to preliminary figures released by the State Statistics Bureau, state-owned units spent 251 billion yuan on investment in fixed assets in 1989, a drop of 25.3 billion yuan from the previous year, and a reduction of 9.2 percent. Township and rural collectively owned units spent 51.2 billion yuan on fixed assets investment, a drop of 20 billion yuan from the previous year and a reduction of 28 percent. Investment by individuals in cities and countryside totalled 97.8 billion yuan, a drop of 4.4 billion yuan from the previous year and a reduction of 4.3 percent.

In 1989, the number of new projects dropped dramatically. The number of new projects launched by state-owned units was reduced by half as compared with the previous year, creating a most favorable condition for restraining investment scale in the future. The total scale of projects under construction, which used to grow at an annual rate of 10 percent or more during the preceding years, was brought down to the same level as in 1988, thus putting an end to the continued expansion of investment scale that had lasted several years.

After careful screening of construction projects for office buildings, auditoriums, and guesthouses, as well as production projects, the state decided last year to halt or suspend a number of capital construction projects. Consequently, the trend of erecting office buildings, auditoriums, and guesthouses was curbed, the investment pattern was improved, more emphasis was shifted to key construction projects, and the proportion of fixed assets investment in energy, transportation, and posts and telecommunications projects increased. Auditing departments across the nation conducted a follow-up inspection of 16,400 projects, which accounted for 91.1 percent of all the projects that were halted or suspended. They found that, with the exception of a few, most of them had strictly followed the relevant State Council regulations concerning halting and suspending projects.

People in economic circles pointed out: Curtailing fixed assets investment by a large extent has played an important role in alleviating the contradictions between supply and demand and stabilizing prices. Many problems, however, have yet to be settled once and for all as we have only had the screening work in progress for little more than a year. If we allow a slight relaxation, a large number of halted or suspended projects that have been "suppressed" will burst out again. Therefore, we must not allow any relaxation in the new year.

It has been learned that the State Council has worked out new measures on continuing to carry out screening in the new year.

Economist Liu Guoguang Speaks on Reform*HK0302074590 Hong Kong CHING CHI TAO
PAO in Chinese No 5, 22 Jan 90 pp 8, 9*

[Speech by Liu Guoguang (0491 0948 0342), deputy director of the Chinese Academy of Social Sciences, delivered at a Chinese Economic Experts' Forum: "Problems Regarding Economic Mechanism Must be Resolved While Improving Economic Environment and Rectifying Economic Order"]

[Text] Although we are not sure what the economy will be like in the 1990's, there is one thing which is quite clear: The quadrupling of gross industrial and agricultural output value; the second step of the three-step strategy, that is, the per capita income of \$800 to \$1,000 by the year 2000 can be attained with the originally planned growth of 7.2 percent. The actual growth in the first 10 years was around 10 percent so a growth of 5 to 6 percent is enough in the latter 10 years. I do not think growth is a big problem for us. According to our achievements made in the past, the growth of 5 to 6 percent will be quite easy. The question lies in rationalizing the economic structure and attaining better economic results. To solve this problem, we must avoid drastic fluctuations.

The policy of "sustained, coordinated, and steady" development proposed by the fifth plenary session was not in the original manuscripts. It was added to the communique later.

To develop in a sustained, coordinated, and steady manner, it is necessary to proceed from our national conditions. The communique said that the bitter lesson drawn from the past 40 years was "deviating from national conditions, exceeding national strength, being overanxious for quick results, and drastic fluctuations." This guiding ideology caused great losses. For this reason, during and after the improvement and rectification, it is necessary to unswervingly follow the road of sustained, coordinated, and steady development, and never try to seek unrealistic high growth. Whether in the past or at present, our problems occurred in this regard. Measures have been adopted to improve the economic environment and rectify the economic order because we were swollen headed and used some "modern" economic theories to support the swollen-headed measures, that is, the theory that "inflation is useful" and using inflation to stimulate economic development.

To attain our development policy, we cannot merely rely on the guiding ideology to effect a change of the current mechanism. Naturally, guiding ideology is very important and has been especially stressed. Moreover, there is a question of deepening reform because the old mechanism had some factors which magnified the total amount and distorted the structure. As these factors existed in the old structure and the reform measures were not well-coordinated, they aggravated the factors of magnification. Hence, even with the best guiding ideology, the

mechanism will continue to deteriorate. It will deteriorate when the administrative control is lifted and during the improvement and rectification work. There is pressure now requesting all-round lifting of restrictions. Hence, it is necessary to deepen reform to solve this question.

In the 10 years of reform, we mainly delegated powers, shared benefits, and used material incentives to arouse the enthusiasm of enterprises, localities, and workers. As the self control system has not been established in the micro-economy and the readjustment and control mechanism of macro-economy has not been perfected, problems are bound to crop up. The macro-control and regulation mechanism and the micro self control mechanism can be solved by deepening reform rather than the tightening policy. The tightening policy can only solve temporary problems.

Regarding analysis of the drastic fluctuations, we hold that there are two reasons: First, the mistakes in policy and overanxiety for quick results, and second, the defects in mechanism and the big pot mechanism. While discussing the economic situation before September 1988, some comrades said that the problems were due to mistakes in policy and proposed stabilizing the economy and steadily making progress. However, this opinion was not accepted at that time. Some other comrades insisted that the problems were due to mechanism and there were not mistakes in policy. Of course I also realized the mechanism problems. However, if we had stressed the problem of mechanism at that time rather than the mistakes in policy, it would mean that improvement, rectification, and the tightening policy were unnecessary. To what extent would the economy develop if we had allowed inflation to continue? Hence, it is important to stress the two reasons respectively at different periods. Sometimes we must stress the mistakes in policy and check the excessive development. Otherwise, it will be impossible to carry on reform and development. It is necessary to improve the economic environment, rectify the economic order, and advance steadily. Because of the panic purchases in September 1988, we were forced to accept this, attributing it to "attention paid too late to the issue." The central plenary session made an essential analysis and the CPC Central Committee and State Council undertook the responsibility for the mistakes in policy decisions. Naturally, it was not wrong to find reasons from the mechanism and try to solve the problem through reform because we were not against reform. Nevertheless, the undue stress on reform at that time was tantamount to covering the mistakes in policies and shelving the improvement and rectification work indefinitely.

However, we have achieved initial results through improvement and rectification over the year. Now it is time for us to stress another reason for the unstable economic life and emphasize the problem in mechanism as there are still 3 years to go for improvement and

rectification. Meanwhile, it is necessary to stress deepening of reform and link it with the spirit of reform of the 13th party Congress.

The guiding ideology has been straightened out over the year. To attain quick results in improving the economic environment and rectifying the economic order, it is right to increase some planning and administrative methods. However, we cannot always rely on these two methods as they cannot last long. For example, the prices cannot last long by relying on subsidies and price restrictions. Apart from the financial burden, they distort prices and obstruct structural readjustment. Hence, although administrative methods are necessary, sometimes we must adopt more economic methods, try to integrate planned economy with the market, and correctly guide the market-oriented reform. We did so in recent years. Otherwise, there would be no peanuts on the market. We would not even have had a taste of peanuts in the past 20 years. You have been able to buy anything you like in these past 10 years. We should not underestimate the achievements of reform or forsake the direction of a planned commodity economy. Even today there is nothing you can buy in the Soviet markets.

Although we have achieved some results in the improvement and rectification work over the past year, they are superficial. The growth has slowed down and the fear of price hikes has been eased, but the problems at a deeper layer have not been solved. A change must be effected in the structural and efficient problems and structure of interests. If these problems are not solved, they may crop up at any time. To essentially solve these problems, we must take the road of deepening reform.

Lastly, I think the improvement and rectification work over the past year has turned out favorable conditions. Apparently, currency and general demand are under control, the gap between supply and demand has been narrowed, and the buyer's market has partly taken shape. At least, it is a good opportunity compelling enterprises to promote reform. Naturally, the current buyer's market is not yet consolidated and is still abnormal. It is a temporary phenomenon caused by the austerity policy. There are great difficulties to gradually normalize this phenomenon. We cannot expect to solve the problem overnight. However, we should form and consolidate the limited buyer's market as it will be advantageous to competition, attaining better results, and improving operation and management. This is indeed a golden opportunity. Meanwhile, it is also a good opportunity for the introduction of other reforms. The following serves as a typical example: The reform of transport fares this year involved around 8 billion yuan, yet it did not affect the prices because the general situation turned for the better. As it would not matter much by taking big strides, I think this is a good opportunity also for effecting a change of mechanism. Naturally, we should be prudent, coordinate it with improvement and rectification, and deepen reform. Only by doing so can we attain a sustained, coordinated, and steady development in the 3 year rectification and avoid drastic fluctuations after the 3 years. Then we will be able to improve our economic

quality. Although the growth is only 5 to 6 percent, I think it is good enough. If this growth is maintained and the structure is rational and efficient, we will certainly be able to attain the strategic goal of the second step in the 1990's.

Commentator Views Planned Economic Integration

HK0502012990 Beijing RENMIN RIBAO in Chinese
23 Jan 90 p 5

[“Commentator's Article: An Important Principle in Economic Structural Reform—On Integrating a Planned Economy With Market Regulation”]

[Text] An important question in upholding the socialist orientation of economic structural reform is to correctly understand and handle the relations between a planned economy and market regulation.

Why? Because China's socialist economy is a planned commodity economy based on public ownership. A planned economy and centralization cannot help arouse the enthusiasm of the localities and enterprises. In the cumbersome economic activities, it would also be impossible for planning to cover everything. If we merely develop a market economy, it will shake the stability of social economic life and be disadvantageous to giving full play to the superiority of socialism, because ours is a developing socialist country based on public ownership, and our materials are not yet abundant. The basic principle of economic structural reform lies in gradually establishing an economic operation mechanism suited to China's national conditions which integrates a planned economy with market regulation. Under the conditions of socialism, the socialist economy is based on public ownership of the means of production and the state must exercise planned management over the national economy, maintain an overall balance of various proportional relations, and avoid blindness and things getting out of control. With the development of commodity production, enterprises establish economic relations with each other based on commodity production and exchange. Planned economy and market regulation are both effective in enterprise production and in operation. Naturally, the extent, mode, and scope of their role may vary under different conditions and different stages of China's economic development. For this reason, we should in practical work put more stress on planning on one occasion and stress market regulation at another, and stress planning in some fields and market regulation in others.

During the initial post-liberation period, the government amassed the limited financial and material resources to establish the foundation of socialist industry as quickly as possible. The government exercised direct planned management over the key construction projects and state-owned enterprises, but implemented market regulation for production and operation of the privately owned industry and commerce. Later, we merely stressed planning and neglected or even negated market regulation, which hampered economic development. In

the 10 years following the Third Plenary Session of the 11th CPC Central Committee, the scope and extent of direct planned management were duly reduced to put an end to the excessive, rigid management. Now tremendous changes have taken place in our economic operation mechanism and management system. Diverse economic sectors with the predominance of the public sector and various operation methods coexist. The scope and role of the market have expanded compared with the past. Therefore, it is necessary to adapt ourselves to the new situation and to study and master new means and methods that integrate a planned economy with market regulation. For example, the government should exercise unified planned management over the economic activities involving overall economic balance and major structural readjustment. The government should exercise more direct planned management over the large state-owned backbone enterprises that are of vital importance for the national economy and people's livelihood and create normal conditions for their production and operation so that they can undertake their responsibilities. Naturally, such planned management should also proceed from the laws of the economy and value to safeguard the proper rights of enterprises. Regarding the individual sector, private-owned enterprises, and three kinds of foreign-funded enterprises, we should rely on laws, regulations, and relevant policies to exercise management. In another example, it is necessary to strengthen management and regulation through planning over the prices, production, and marketing of a small number of energy, raw materials, and daily necessities. Regarding other ordinary commodities, on the premise of the state exercising control over general social demand and giving necessary guidance and supervision, enterprises may independently work out production and operation decisions in light of market supply and demand. Consequently, there is a problem of unfair distribution of interests between the different economic sectors, industries, and enterprises, which should be regulated through pricing, taxation, credit, and other economic and administrative means.

Practice has proved that it is necessary and also possible to integrate a planned economy with market regulation. Naturally, it will be a long, complicated process and a very difficult system engineering to establish an operation mechanism suited to China's national conditions that integrates a planned economy with market regulation. To ensure better integration, we still have to make theoretical study and practical exploration.

All comrades engaged in economic work should correctly understand and handle relations between a planned economy and market regulation, enrich and develop their contents and forms in practice, and promote the sustained, steady, and coordinated development of the socialist economy.

Statistics Bureau Says Consumer Spending Down

OW0502111590 Beijing XINHUA in English
1050 GMT 5 Feb 90

[Text] Beijing, February, 5 (XINHUA)—China has made obvious progress in the control of consumer spending due to its rectification program, the State Statistical Bureau said here today.

The latest statistics from the bureau show that the total wages of staff and workers were 264 billion yuan last year, a 14 percent increase over the previous year.

Yet the increase in consumer spending has slowed. Compared with the same period of the previous year, the increase in consumer spending dropped from 25.3 last February to 14 percent last December.

The growth of workers' bonuses has also slowed down. Bonuses last year totalled 55 billion yuan, a 23 percent increase over the previous year and an 18 percent drop in growth last year compared with the previous year.

Materials Minister Discusses Supply, Demand

HK0502011090 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 5 Feb 90 p 1

[Interview with Minister of Materials and Equipment Liu Suinian by staff reporter Yuan Zhou]

[Text] Liu Suinian, minister of Materials and Equipment, has pledged to improve supplies of raw materials to foreign-funded firms in China this year.

Insufficient access to raw materials, together with energy shortage and inadequate transport capacity, are major problems for foreign business people in this country.

In an interview with BUSINESS WEEKLY, Liu said that under the government's policy of continuing to open to the outside world, his ministry has made it a major task this year to provide better services for foreign-funded firms.

His ministry will make efforts to help these firms have sufficient supplies of domestic-made materials. In addition, it will also help these firms buy raw materials from overseas markets, he said.

China's industrial materials market will remain sluggish this year although some products will continue to be in short supply, according to analysts with the national material supply business.

This will be particularly hard for the more than 20,000 foreign-invested ventures in China, which do not have guaranteed supplies of raw materials under the State-planned distribution system and need to get their own materials. Shortage of materials has become a big problem to some joint ventures as well.

"We'll try to solve this problem within the next two or three years," Liu promised.

Liu said that his ministry expects its specialized trading companies to take care of raw materials supplies to these firms.

"All government departments in charge of materials supplies should take into consideration the needs of foreign-funded firms," he said.

So far, the ministry has formed 37 service companies to supply materials especially for these firms in coastal cities.

In 50 foreign-invested firms in Shanghai, the raw materials supplied by the government departments concerned account for about 30 percent of what they need.

At present, foreign invested firms have an urgent need for supplies of raw materials, fuels, electronics and machinery products, which come mostly from domestic supplies.

Influenced by the present domestic austerity programme, Liu said, supplies of materials to foreign-funded firms will vary this year.

He predicted that there would be ample rubber, cement, glass, some chemicals and structural steel for construction purposes on the domestic market.

The year 1989 saw drastic raw materials market changes. Compared with the previous year, the nation's stock of coal rose by 10.2 percent; steel, 2.8 percent; nonferrous metals, 5.5 percent; cement, one percent and soda ash 15.5 percent.

Price rises were checked during the year with prices rising for the whole year estimated at around 20 percent compared with 23 percent in 1988.

But some high-grade coal, nonferrous metals and certain kinds of rolled steel will still be in short supply.

This year, the government will continue to reduce the supplies of those raw materials under centralized distribution, Liu said.

Of the 18 major raw materials in this category, eight will decrease and four will be roughly at the same level as last year.

Agriculture, energy, transport, key construction projects and production of raw materials are the sectors that will have priority in the supply of raw materials, Liu noted.

The government will also give priority to those enterprises which produce goods in high demand or for export, Liu said.

The distribution quotas of materials to other sectors will be cut, he said, but gave no further details.

Article Considers 1989 Export Growth

HK0502091190 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 5 Feb 90 p 3

[Article by Lu Hua (6424 5478): "What Does 6.5 Percent Show?"]

[Text] In 1989, China's export trade volume increased by 6.5 percent over the previous year, hitting \$43.28 billion. Although this figure was announced many days ago, still people are amazed as they discuss it now: "That really is unexpected!"

Indeed, this is a hard-earned "6.5 percent." Last year, China's export trade faced difficulties rarely seen in recent years. In the first half of last year, there was the difficult situation of a persistent slide in export volume, and some people at home and abroad even predicted that China's export volume is doomed to decrease.

We should not hesitate to admit that China's exports have always faced a dilemma of inadequate total supply of commodities inside the country and increasing demand for foreign exchange. In addition, last year, there was a shortage of commodities for export inside the country, a shortage of funds for enterprises engaged in foreign trade, and a political storm in late spring. The situation was like a layer of snow being blanketed by frost, which worried many people. However, starting from the second half of last year, a change appeared in the situation of exports in the whole country, and the speed with which the slide stopped, as well as the scale on which the export volume increased, was something unexpected by the people. The eventual occurrence of the figure of "6.5 percent" has some extraordinary implications.

Maturity has come to China's management and operation of foreign trade; this is one of the implications. The reform in the system of foreign trade with the practice of the contracting system as the main content, which started in the previous year, has aroused the eagerness of the people, and impelled various kinds of enterprises engaging in foreign trade to further strengthen operations management and business development. Some companies have headed in the direction of gradually developing their comprehensive, multi-functional and international characters. Their operations are more flexible, capable of extensively taking part in the international economic activities, and able to calmly deal with the economic sanctions imposed by some Western countries.

In addition, it indicates that China's export trade has a certain ability to cope. China's foreign trade, which has undergone 40 years of development, has a firm foundation, with customers and commercial channels throughout the world. Although some customers reduced the number of their orders last year, China dealt with them calmly, preserving relations with some old customers, and acquiring some new ones.

Furthermore, it indicates that China's practice of the open door policy and launching of foreign economic

cooperation have brought as many benefits to China as to foreign countries; support and understanding have been earned from the great masses of businessmen abroad. The Northeast and Inner Mongolia Trade Fair, which was convened last July in Dalian, was attended by more than 1,000 foreign businessmen. The Guangzhou Autumn Trade Fair, which was convened last October, received 36,000 visits by foreign businessmen from 98 countries and districts, achieving a record. Regarding these, the overseas economists said in their comments that it seems that China needs the world and the world cannot dump China.

The Year of Horse has just arrived, and some economists at home and abroad have looked at the overall situation and achieved the following consensus: Alongside further stabilization of China's political and economic situation, China's export will still steadily increase this year.

Machinery, Electrical Product Exports Increase

*OW0502111790 Beijing XINHUA in English
1039 GMT 5 Feb 90*

[Text] Beijing, February 5 (XINHUA)—China exported 8.3 billion U.S. dollars worth of machinery and electrical products in 1989, a 35.1 percent increase over the previous year, the mechanical and electrical products export office of the State Council announced here today.

Metal products accounted for 1.21 billion U.S. dollars, 19.8 percent more than the previous year. Machine-building and electronic products and instruments and meters accounted for 4.32 billion U.S. dollars, 40.7 percent more than the previous year.

Exports of products processed with imported materials or assembled from imported components and parts represented 2.58 billion U.S. dollars, 33.2 percent more than the previous year.

According to the General Administration of Customs, much improvement has been made in the structure of exported products.

The export growth of machine-building and electronic products and instruments and meters surpassed the average export growth of mechanical and electrical products.

The proportion of these products in the country's total mechanical and electrical products export increased to 52 percent compared with 49 percent in 1988. Metal products took a smaller proportion in 1988 than in 1989.

Nineteen categories of exported products surpassed 100 million U.S. dollars, with TV sets, cassette tape-recorders, manual and machine tools and daily metals exceeding 300 million U.S. dollars.

China has 1,280 export centers for mechanical and electrical products and enterprises with more power in decision making in exporting their products. An export network has been formed.

Shanghai, Guangdong, Jiangsu and Shandong have about 50 export-oriented enterprises with export volumes reaching 10 million U.S. dollars or above. Eleven provinces and municipalities exported more than 100 million U.S. dollars worth of mechanical and electrical products last year.

Southern China's Guangdong Province was the first province to reach one billion U.S. dollars in these exports. Its export volume in 1989 stood at 1.38 billion U.S. dollars.

To improve the quality of exports, China has imposed a licencing system on 62 categories of mechanical and electrical products and a law-bound inspection system on 78 categories of these products.

According to an official from the mechanical and electrical products export office of the State Council, this year will see a remarkable rise in exports of mechanical and electrical products.

China will pay more attention to raising the quality of export products, improving after-sale service and producing more sought-after products in order to boost the export of mechanical and electrical products, the official said.

Shijiazhuang Workers Write to Jiang Zemin

*HK0502061990 Beijing RENMIN RIBAO in Chinese
27 Jan 90 p 1*

["Letter to General Secretary Jiang by Staff Members and Workers of the Shijiazhuang No 2 Printing and Dyeing Plant"]

[Text] RENMIN RIBAO Editorial Department c/o General Secretary Jiang Zemin:

How are you?

First of all, please allow us, 1,619 staff members and workers of the Shijiazhuang No 2 Printing and Dyeing Plant, to extend our festival greetings to you and other leading comrades of the CPC Central Committee!

On 8 January this year, RENMIN RIBAO frontpaged a lengthy newsletter entitled "We Workers Are Powerful," giving a true account of our factory director Cui Zhicai earnestly relying on workers to run the enterprise. The paper also issued a commentator's article "This is Our Strong Point." This has evoked strong repercussions among us. The workers ran around spreading the news, feeling excited and proud to have such a good director and to be one of the members of this big, warm family.

At this moment, we naturally thought of you and the CPC Central Committee. After taking charge of central work, you emphasized the slogan of wholeheartedly relying on the working class which has greatly inspired us. Following the release of this newsletter, the plant held a meeting. Everybody sang the songs "Socialism is Fine"

and "We Workers Are Powerful" from the bottom of their hearts, presenting an exciting scene seldom seen over the years.

History has proved that the power of our party lies in wholeheartedly relying on the working class. History has also proved that the working class can emancipate themselves and lead a happy life only under party leadership. "Fish can't leave the water nor melon leave the vine. We can't carry out revolution without the Communist Party." Now we should add one more sentence to this: "We can't carry out reform without the communist party." Thanks to the guidance of our beloved "chief designer" Comrade Deng Xiaoping, we have achieved remarkable successes and markedly improved our living standards in reform over the decade. Meanwhile, we are also aware of the economic difficulties our country is facing at present. Some enterprises and workers are also affected by the difficulties. When the state is in difficulty, what should the workers do? We vow to the CPC Central Committee: In light of the requirements of the CPC Central Committee, we will serve as the main force of production and construction, improvement and rectification, and deepening reform. We will share the difficulties of the state and help enterprises overcome the problems.

"We can revitalize the nation only through stability." You said recently: "Our primary task at present is to maintain social stability," giving voice to our innermost feelings. The working class is also the main force in maintaining stability and unity. You can rest assured that we workers of the No 2 Printing and Dyeing Plant will do work well in all fields and be promoters of stability. It is our firm belief to adhere to the socialist road and to promote China's affairs well.

This is the first year of the 1990's and a critical one for improving the economic environment, rectifying the economic order, and deepening reform. The Shijiazhuang No 2 Printing and Dyeing Plant will strive to make a good beginning in the 1990's. We shall use practical action to attain better economic results, safeguard social stability, and contribute to fulfilling the task of improvement and rectification.

Lastly, we wish you good health and a happy new year!

All staff members and workers of the Shijiazhuang No 2 Printing and Dyeing Plant

20 January 1990

Editor's Note Views Exchange

HK0502062190 Beijing RENMIN RIBAO in Chinese
27 Jan 90 p 1

["Editor's Note on Letters Exchanged Between Shijiazhuang Workers and Jiang Zemin"]

[Text] RENMIN RIBAO carried a lengthy newsletter entitled "We Workers Are Powerful" on 8 January. On the eve of the Spring Festival, a letter permeated with fervour by all staff members and workers of the Shijiazhuang No 2 Printing and Dyeing Plant was delivered to General Secretary Jiang Zemin in Zhongnanhai through RENMIN RIBAO. With pleasure, Comrade Jiang Zemin wrote in reply to the workers of the printing and dyeing plant on 25 January. This vivid scene of the top and lower levels being of one heart has added the atmosphere of spring to the Divine Land!

In their letter, the staff members and workers of the Shijiazhuang No 2 Printing and Dyeing Plant said that the working class can emancipate themselves and lead a happy life only under party leadership. We cannot carry out revolution or reform without the Communist Party. Comrade Jiang Zemin pointed out in his reply letter that the power of our party lies in wholeheartedly relying on the working class and the broad masses. We should maintain the party's flesh-and-blood ties with the masses, do a good job of party building, wholeheartedly serve the people, and carry out China's affairs well. Here we can hear the strongest voice of the times from both the top and bottom.

Comrade Mao Zedong once said that the army which has become one with the people will be invincible. We are facing an arduous task as China has entered a new period of the building of socialist modernization. We can also say that the party which has become one with the people will be invincible. The historical course of 40 years since the founding of the PRC has proved this point. The achievements of reform over the past decade and the disturbance in the year of the snake have also proved this point. The top and lower levels should make concerted efforts and embark on the new course of the 1990's.

East Region

Anhui's Fu Xishou Visits Workers on Holiday

OW0402015390 Hefei Anhui Provincial Service
in Mandarin 1100 GMT 30 Jan 90

[Excerpt] On the morning of the second day of the Chinese New Year, Fu Xishou, deputy secretary of the provincial CPC committee and governor, and Yang Yongliang, deputy secretary of the provincial CPC committee, went to the Hefei Steel and Iron Company and then to the Anhui Tire Manufacturing Plant to visit cadres and workers who insisted on working there even during the festival. They paid them a New Year's call and wished them a happy New Year. [passage omitted]

Fujian Leaders Address Forestry Work Conference

OW3101042590 Fuzhou FUJIAN RIBAO in Chinese
9 Jan 90 pp 1, 3

[Excerpts] On the morning of 7 January Chen Guangyi, secretary of the provincial party committee, attended a forum with some of the comrades attending the provincial meeting of directors of forestry bureaus.

After hearing briefings by officials of the provincial forestry department and the forestry bureaus in Nanping, Sanming, and Quanzhou, Chen Guangyi said: Last year marked the first year of the first stage of the "3-5-7 project" (a project of eliminating barren mountains in various areas within 3, 5, and 7 years) since the provincial party committee and government decided to "work with full force on the campaign of greening Fujian within 7 years." We were off to a good start, thanks to the concerted efforts made by party and government organs at all levels, forestry departments, and the large number of cadres and the masses. This year will be a critical year. I hope that all localities will keep up the good work, and that they will advance in a dynamic and down-to-earth way the all-round development of our province's forest industry to a new phase. [passage omitted]

Chen Guangyi asked all localities to pay attention to overcoming the weak links in their work. He called for relaunching the voluntary tree-planting movement with all the people taking part. He said that the departments directly under the provincial government in particular should establish themselves as leaders of the movement. They should do a better job than they did last year and develop a legal system for the work. He said that it is necessary to enhance the construction of shelter forests in coastal areas and to regard this task as an important step in protecting Fujian's ecological environment. He also called attention to appropriately combining fundamental farmland construction, including the tasks of building water conservancy facilities and preventing soil erosion, with the afforestation and greening campaign.

Lastly Chen Guangyi pointed out that in order to promote forestry development, cadres must go down to the grass-roots level. The provincial forestry department has

set a good example in this respect. Last year it organized one-third of its cadres to inspect the afforestation work at the grass-roots levels, which proved to be very useful. The move not only improved the work style of various organizations but also provided good training for the cadres. Chen Guangyi hoped that the forestry units and other departments at various levels would follow suit.

Governor Wang Zhaoguo attended and spoke at the provincial meeting of directors of the forestry bureaus on the afternoon of 7 January. He summed up the good political and economic situation in our province in 1989. He also summed up the great contributions the forest industry had made to economic development and the reform and open-door program over the last 10 years. He called for the serious and continued development of forestry. He said: The provincial party committee and government made the "decision" to vigorously develop forestry last year and put forward the "3-5-7" goal for the greening of Fujian. Since then, various localities, by proceeding from reality, have carried out this task and combined the afforestation and greening drive with "linking the five bases" in construction, with the industrialization of forestry, and with reinvigorating the economy. All localities have worked conscientiously on this afforestation and greening task, widely setting up leading organs to take charge of the work, making leading party and government cadres at all levels sign contracts obligating them to fulfill their afforestation and greening work quota during their tenure, and adopting other effective measures. As a result, there has been enthusiasm for the afforestation and greening drive throughout the province, and the situation has been very promising. However, we should also take note of existing problems. We have yet to fundamentally change the trend of forest resources consumption outpacing forest resources growth. We have yet to effectively exploit and develop mountain resources. The task of greening barren mountains and transforming sparse woods in the province remains arduous. Part of the forest resources we own are of poor quality and structure, thereby preventing forests from fulfilling their overall function. Some localities have been slow in enforcing the "decision" of the provincial party committee and government, and their measures have not been forceful enough.

Wang Zhaoguo said: The various localities must conduct serious research on existing problems and work hard to solve emerging problems. First of all, it is necessary to again mobilize the whole province to vigorously develop the forest industry and to bring the whole province to understand anew the meaning of the work. As far as developing forests is concerned, our province is blessed with favorable natural conditions and a large number of people with rich experience in cultivating and managing forests. We must make full use of these advantages in vigorously developing forestry. At present we must correctly handle the relations between the drive to develop forests and the campaign to improve the economic environment and to rectify the economic order. While readjusting the economic structure, we should realize

that forestry is a basic industry that needs to be developed vigorously and that its development is an important part of the program to develop agriculture comprehensively. Therefore, we should develop the forest industry in great earnest. This has an important bearing on our efforts to achieve sustained, steady, and coordinated development of the entire economy. The whole province should develop a sense of urgency and responsibility in developing the forest industry; arouse public concern through various channels; and widely mobilize the people so as to raise every citizen's willingness to participate in the campaign of revitalizing the forest industry, fully arouse the people's enthusiasm for growing forests, and speed up the afforestation and greening campaign. [passage omitted]

Jiangsu Discusses Armed Forces Recruitment Work
OW2901181290 Nanjing XINHUA RIBAO in Chinese
16 Jan 90 p 1

[Text] The provincial spring recruiting [zheng bing 1767 0365] work meeting, sponsored jointly by the provincial government and the provincial Military District, ended in Nanjing 15 January.

This year's spring recruiting work will begin on 10 February and conclude at the end of March. The prospective people, the scope of the recruitment, and the ages of the recruits are as follows: Recruits from rural areas must have an educational level of middle school or above; recruits from cities and county capitals, as well as from enterprises and institutions, must have an educational level of high school (including professional high school). The recruitment of young women is limited only to 1989 high school graduates, since the total number of female recruits is very small. Only those young men whose 18th to 20th birthdays fall in 1990 can be recruited. However, the age-limit for young men from cities and capitals of counties has been extended to 21. Only those young women whose 19th or 20th birthdays fall in 1990 are eligible. Recruits may apply as follows: Young men and women who wish to join the Army must apply in the place where their households are registered. Their application will be approved by the recruitment office of counties (cities or districts) after satisfactory physical and political examinations.

The participants in the meeting pointed out: Vigorous efforts must be made to ensure the political, physical, and cultural qualities of newly recruited soldiers. It is necessary to strive to send good quality soldiers to our Armed Forces so as to support with real action the construction of national defense. Party committees, people's governments, military subdistricts, and People's Armed Forces departments at all levels are required to pay serious attention to recruitment work. They must conscientiously plan, properly arrange, and do a good job in ideological and political work in a thorough manner to promote the conscientiousness of young men and women of the right ages to perform their military

duties in accordance with the law. Relevant departments, such as propaganda, public security, public health, transportation, civil affairs, labor, finance, trade unions, Communist Youth Leagues, and women's federations, must cooperate closely to ensure that recruitment work in the province is accomplished successfully. Provincial government and military district leaders, including Comrades Ling Quhong, Zhang Shaoxun, Chen Yuexing, Miao Guoliang, Wang Changgui, Chen Kekong, and others attended and spoke at the meeting.

Jiangxi Reports Anticorruption Drive Success

OW2901130290 Nanchang Jiangxi Provincial Service
in Mandarin 1100 GMT 22 Jan 90

[From the "Provincial Hookup" program]

[Text] The Jiangxi provincial party committee and government have achieved success in promoting clean government by thoroughly investigating and handling cases one by one.

Since implementing the system of openness and supervision last March, 39 cases of discipline violation have been handled. Some of those people involved in these cases have been fined more than 70,000 yuan. Cases of indiscriminately approving requests for the purchase of chemical fertilizer have basically disappeared in the province. Since last April, 11,589 party and government cadres have been investigated and discovered to have been building houses for their own use, in violation of regulations. Disciplinary measures have been taken by the party or government against more than 100 of those cadres, and 50,084 of them have been financially punished. They have been fined a total of more than 4.75 million yuan. In addition, 1,124 of those cadres have been ordered to return a total of over 80,000 square meters of land to the state, and 20 of them have been arrested according to law.

The work of collecting debts from cadres and workers who borrowed money from public funds is essentially finished. Some 1.54 million cadres and workers borrowed 86.66 million yuan from public funds. Except for those borrowers with particular financial difficulties, the others have made restitutions. The debts collected account for 90.29 of the total amount of money borrowed.

Since last June, vigorous efforts have been made to check the trend of using public funds for wining and dining, in violation of discipline. Now this unhealthy trend has been stopped. Thus, the entertainment expenses of party and government organizations have generally been reduced by 60 to 90 percent. Some cadres who used public funds for wining and dining have been investigated and punished. More than 200 cases of using public funds for wining and dining have been investigated. Disciplinary measures have been taken by the party or government against 11 people involved in these cases, and over 1,800 others have been fined a total of more than 70,000 yuan.

Importation of luxurious limousines has been banned since last year. Four luxurious limousines imported in violation of the ban were returned.

An important experience in promoting clean government in the province is strengthening leadership and handling hard cases in a serious manner. The province has instituted scientific and specific systems for the promotion of clean government and has strictly implemented these systems. Personnel are assigned to take charge of cases at every level. Supervisory teams have also been organized to check on the work of promoting clean government in various parts of the province. As a result, a number of longstanding violations of law and discipline, about which the masses have many complaints, have been promptly resolved.

Zhejiang Holds Discipline Inspection Meeting

OW3101030790 Hangzhou ZHEJIANG RIBAO
in Chinese 15 Jan 90, p 1

[Text] A provincial party work meeting on discipline inspection opened in Hangzhou on 14 January. The main purpose of the meeting was to further study and implement the guidelines of the 5th Plenary Session of the 13th CPC Central Committee; to sum up the achievements in discipline inspection work made over the past year; to exchange the experience acquired in this work; and to draw up plans for the tasks to be accomplished this year by taking into consideration the actual conditions in building party style and enforcing party discipline in our province. The meeting also aimed at making the various Discipline Inspection Committees at all levels and the vast numbers of cadres responsible for discipline inspection in the province gain a better understanding of the current situation and tasks; seek unity of thinking; rouse themselves with force and spirit; and be aggressive in their work, so as to be able to do an even better job in building party style and in combating corruption in the new year.

Chen Fawen, standing committee member of the provincial party committee and secretary of the provincial discipline inspection commission, delivered a report at the meeting, entitled "Let Us Conscientiously Improve the Party's Discipline Inspection Work While Focusing Our Efforts on the Campaign To Improve the Economic Environment, Rectify the Economic Order, and Deepen Reform."

The meeting maintained that the various discipline inspection organs at all levels in our province had done a large amount of work in improving the party's style and in promoting honesty in performing official duties and made great achievements in this endeavor in 1989. First, they made comparatively good progress in investigating and dealing with cases of discipline violation within the party. Discipline inspection committees at and above the county level throughout the province filed for investigation a total of 2,045 cases of discipline violation involving party members last year. Among them, 883

cases involved economic crimes, including bribery, corruption, and so forth; and 46 were discipline violations involving leading cadres at and above the level of county departments, with 7 of the culprits being cadres at the department or city and prefectural bureau level. As of the end of December last year, a total of 1,635 discipline violations involving party members throughout the province were thoroughly investigated and dealt with. This means that 79.9 percent of last year's cases were completed and a total of 2,844 party members were punished, including 833 of them being expelled from the party. Second, comparatively notable results were achieved in checking unhealthy tendencies within the party. Discipline inspection committees at all levels actively carried out various tasks to really help promote clean government and check unhealthy tendencies. They concentrated efforts on earnestly sorting out and examining cases of illegal housing construction for personal use in violation of discipline and regulations. They also focused on examining the purchase of high-priced consumer durables at low prices, and treating guests to sumptuous banquets and lavishing gifts on them at the expense of public funds by party and government cadres throughout the province. These were problems that caused the most disgruntlement among the masses. The real situation in housing construction for personal use by party and government cadres throughout the province was basically clarified. Mistakes committed by a handful of leading cadres by engaging in housing construction for personal use in violation of the law, party discipline, and regulations were dealt with in public. A total of 2,904 party member cadres and government functionaries paid 1,628,000 yuan to make up for price differences and returned 56 high-priced commodities with the packages still unopened. The unhealthy tendency of treating guests to sumptuous banquets and lavishing gifts on them at the expense of public funds was curbed somewhat. A new habit of paying for meals according to standard fares began to take shape and prevail among party and government organs at all levels and among cadres. Third, the system of "being open in the course and the results of handling matters with the masses exercising supervision" as its main contents was consolidated and developed. This system was designed to promote honesty in performing official duties. Fourth, political discipline of the party was strengthened. Discipline inspection committees at all levels persisted in considering adherence to the four cardinal principles, opposition to bourgeois liberalization, and strict maintainance of the party's political discipline as their important tasks. They actively committed themselves to sorting out the key units and individuals as well as the most significant incidents which occurred during the recent turmoil.

The meeting pointed out that it is necessary for discipline inspection work in our province this year to steadfastly pursue the party's basic line of "emphasizing the one central task of economic development and the two basic points of adherence to the four cardinal principles and to the implementation of reform and openness;" to continue to carry out the guiding principle

of "first, being resolute, and second, persisting in sustained efforts" in our endeavor to be strict with party members and improve the party's style; to regard the task of succeeding in improving the party's style and punishing corrupt officials as an important aspect of enforcing discipline and supervision; to maintain strict centralism and unity of the party; and to conscientiously enhance awareness in a practical way of observance of party discipline by party organizations and party members, so as to ensure smooth progress of the campaign to improve the economic environment, rectify the economic order, and deepen reform and to better serve the promotion of political stability and economic development. It is necessary to properly handle the central links of discipline inspection work by earnestly investigating and dealing with discipline violations which interfere with the progress of the campaign to improve the economic environment and rectify the economic order. These violations include lax enforcement of orders and prohibitions in the production, construction, management, circulation, and distribution sectors. It is necessary to investigate and deal with discipline violations involving party member cadres who trade their power for money; exploit situations by acting as middlemen; engage in corruption and take bribes; misuse funds or money entrusted to their care; neglect their duties; and are seriously guilty of abusing power for personal gains, wasteful extravagance, or bureaucratism. It is necessary to closely integrate the drive to promote honesty in performing official duties with the campaign to improve the economic environment and rectify the economic order; to continue to properly handle problems of housing construction for personal use in violation of the law, party discipline, and regulations by party and government cadres; to earnestly clean up "small safes" [discretionary funds set aside by individual units]; to improve management of extrabudgetary funds; to do a good job in consolidating the financial system; and to establish a system of checking, so that party member cadres turn over gifts they have received during official activities to higher authorities and to see to it that this rule is implemented. The system of running a clean government must be further improved with regard to credit loans, "changing people's registrations from agricultural professions to professions other than agriculture;" recruitment of workers and cadres; supply of agricultural means of production; administration of issuance of visas and permits; and management of tax collection, which are of common concern to the masses, so as to enhance standards and openness in government administration. It is necessary to step up inner-party supervision over the leading cadres' implementation of decisions made by the central authorities and of democratic centralism, so as to improve political life within the party.

In his report, Chen Fawen elaborated on the guiding ideology for discipline inspection work in our province this year. He called on discipline inspection committees at all levels to improve the party's style, to strictly enforce party discipline, and to fight corruption, so as to promote clean government and ensure stability. He said:

The key to our implementation of the guidelines of the Fifth Plenary Session of the 13th CPC Central Committee lies in strengthening party building and giving full play to the favorable political situation. This will also contribute to the success in carrying out the campaign to improve the economic environment, rectify the economic order, and deepen reform while striving to maintain overall stability. Improving discipline inspection work is an extremely important aspect of our effort to strengthen party building. We must understand that being strict with party members and punishing those who are corrupt and decadent is, as a matter of fact, tantamount to consolidating the party's leadership, safeguarding the socialist system, and ensuring the progress of the four modernizations and the socialist orientation of reform and openness. As such, it is important for us to be resolved to prevent "peaceful evolution." From this perspective we should try to understand the profound and far-reaching significance of our struggle against corruption; be firmly prepared in our minds to carry out a protracted struggle; and combine the struggle against corruption with the overall campaign to improve the economic environment, rectify the economic order, and deepen reform. If we want to succeed in carrying out the campaign, we must have political stability and unity. It is all the more important for us to pay attention to maintaining political discipline and ensuring political stability, especially at a time like now when the international situation is changing rapidly. If our political situation is unstable, we will lose the conditions necessary for our campaign to improve the economic environment and rectify the economic order. Enhancing the party members' awareness that it is necessary to observe discipline and safeguard party centralism and unity is an important guarantee for the success of our campaign. If party members are lax in observing discipline, it is impossible for us to carry out the various measures in our campaign. Only if corruption is resolutely punished can we win the trust of the people and inspire the enthusiasm of the masses. If we want to succeed in carrying out the campaign to improve the economic environment and rectify the economic order, we must be strict with party members, punish those who are corrupt and degenerate, and do a good job in building party style and promoting honesty in performing official duties. It is necessary for all the cadres responsible for discipline inspection to apply themselves more diligently to theoretical studies and to strive to improve their own accomplishments in view of this situation and these tasks.

Gao Chengyu and Wang Xianbo, deputy secretaries of the provincial discipline inspection commission; secretaries of discipline inspection committees of all cities, prefectures, counties (of cities and districts); and heads of discipline inspection groups and responsible persons in charge of ideological and political work of all departments directly under the provincial authorities participated in the meeting.

Zhejiang's Shen Zulun Views Family Regulations

OW3101020690 Hangzhou ZHEJIANG RIBAO
in Chinese 21 Jan 90 p 1

[Text] Last night, Governor Shen Zulun made a televised speech on how to earnestly implement the revised version of the "Family Planning Regulations of Zhejiang Province," promulgated by the Standing Committee of the provincial People's Congress. Following is the text of his speech:

On 3 January this year, the Standing Committee of the provincial People's Congress promulgated the revised version of the "Family Planning Regulations of Zhejiang Province." This is a very important local law of our province and is a standard of conduct by which the people of the whole province must abide in matters concerning marriage and birth. The new "Regulations" were drawn up by revising and improving the old version promulgated in 1985. Progress has been made in implementing the 1985 version. In the past 5 years, our province has fulfilled or basically fulfilled the annual population plan; the rate of the use of family planning methods rose from 75.62 percent in 1984 to over 94 percent in 1989, resulting in more than 4 million fewer births in the past 5 years. However, our province has again entered a period of a new birth peak since 1986, because a large number of women of child-bearing age from other provinces have settled down in our province after getting married. As a result, the situation concerning population increase has become serious, and numerous problems have emerged in our family planning work. To cope with the new situation and to effectively bring population growth under control, the province decided to promulgate the new, revised version of the "Family Planning Regulations of Zhejiang Province." The main objective of the new "Regulations" is to adhere to the fundamental state policy of family planning and to effectively bring population growth under control. Proceeding from Zhejiang's fundamental condition, characterized by a huge population with limited land, the new "Regulations" reiterate the encouragement of late marriage and late birth; stress the fundamental birth policy which insists that one married couple should have only one child, unless otherwise stated in the "Regulations;" provide that rural "families with only one female child" be exempted from the restriction on having a second child; further improve award and penalty methods; tighten control over family planning among the moving population; and further improve the legal provisions for checking such crimes as abandoning and drowning infants, and conducting illegal tests to determine the sex of the fetus. The new "Regulations" not only maintain the stability and continuity of the current birth policy but also improve the laws and statutes on family planning. This is an important legal measure for boosting family planning work and for effectively controlling population growth. Therefore, the provincial party committee and the provincial government hereby call on all localities to do the following tasks well:

1. Party committees and governments at all levels must earnestly study and implement the new "Regulations" and continue to carry out family planning work well.

Studying and implementing the new "Regulations," carrying out family planning work in accordance with the law, and effectively controlling population growth are an important matter. It affects the improvement of the economic environment, the rectification of economic order, and the boosting of the province's economic and social development. Party committees and governments at all levels must strengthen their population consciousness and concept of per capita income; make population growth part of the objective of improving the economic environment and rectifying economic order; and do a good job in achieving the objective. In line with the provisions and requirements of the new "Regulations," all localities must examine and sum up the work of family planning done in the past few years; promptly carry out the responsibility system for fulfilling the family planning target for 1990; and adopt measures to tackle weak links to do a good job in family planning work. Resolute measures must be taken to correct the policies and methods that are contradictory to the "Regulations." All localities should see to it that the laws are strictly observed and enforced and that lawbreakers are punished. Anyone who commits the crime of violating the legal rights and benefits of women and children and of sabotaging family planning work must be investigated and punished according to the law.

2. All types of propaganda means should be used to publicize the new "Regulations" to make them fully understood by the public.

Press and public opinion units should work with the appropriate departments and draw up a plan. They should organize appropriate teams to publicize the "Regulations" through different forms which the masses will welcome. These propaganda activities should be expanded during the Spring Festival holidays. At present, the propaganda teams should focus on publicizing the basic conditions in China and in Zhejiang; on publicizing the important legal provisions of the "Regulations;" on increasing the cadres' and masses' sense of urgency and responsibility in controlling population growth; and on enabling cadres and the masses to understand that the current specific birth policy is necessary and feasible. At the same time, it is necessary to vigorously publicize the great achievements made in the past years in controlling population growth; to publicize advanced typical examples in family planning work; to make the society understand that family planning is a glorious task; and to increase the confidence and determination of the people throughout the province to carry out the strategic objective of controlling population growth in our province.

3. The people of the entire province must consciously implement the provisions of the new "Regulations" and coordinate their efforts in bringing population growth in our province under control.

Enforcing family planning is a fundamental policy of our country. Carrying out family planning to check population growth accords with the fundamental interests of

the people. For the great cause of the "four modernizations" drive and for the happiness and prosperity of our posterity, the provincial party committee and the provincial government call on party members and cadres throughout the province to set an example in implementing the "Regulations;" to take the lead in choosing late marriage and late birth; to adhere to the practice of one child for one married couple; to do patient and meticulous ideological work among the masses; and to carry out family planning work. The provincial party committee and the provincial government also call on citizens of the entire province to consciously abide by the new "Regulations;" carry out population plans and birth control measures in line with the provisions of the "Regulations;" and make due contributions to bringing population growth in our province under control.

Zhejiang Leaders Attend Spring Festival Rally

*OW3101034390 Hangzhou Zhejiang Provincial Service
in Mandarin 1000 GMT 25 Jan 90*

[Text] This morning, joy and laughter filled the banquet hall of Hangzhou Hotel where the provincial party committee and government held a group meeting to exchange Spring Festival greetings.

Li Zemin, Chen Fawen, Xu Xingguan, Xu Yongqing, Liu Yifu, Chen Anyu, Shang Jingcai, and other party and government leaders; Tie Ying and Li Pengping, members of the Central Advisory Commission; party, government, and military leading comrades of Hangzhou City; responsible persons of provincial departments at all levels, all democratic parties and groups, civic organizations, and Army units stationed in Hangzhou; as well as retired cadres, model workers, and people from all walks of life joyously gathered to chat about old times and new events to usher in the first Spring Festival of the 1990's.

Xu Xingguan, member of the standing committee of the provincial party committee and vice provincial governor, presided over the meeting.

Li Zemin, secretary of the provincial party committee, made a speech at the meeting. On behalf of the provincial party committee, the provincial People's Congress standing committee, and the provincial government, he first extended Spring Festival greetings to all comrades and friends at the meeting; to workers, peasants, intellectuals, cadres, and people from all walks of life throughout the province; to officers and men as well as public security cadres and policemen of Army units stationed in Zhejiang and the Armed Police corps; to retired veteran comrades; to Taiwan, Hong Kong, and Macao compatriots as well as Overseas Chinese who are natives of Zhejiang Province; and to foreign experts working in our province, wishing them a happy family reunion, a happy new year, and success in everything they do.

Comrade Li Zemin said: Nineteen eighty-nine was an unforgettable and unusual year. During that year, under the correct leadership of the party Central Committee,

the people of Zhejiang worked with one heart and one mind, waged hard struggle, made new achievements in economic and social development, and wrote a new chapter in history.

During the spring-summer period last year, when the party and the state were in grave danger, cadres and masses throughout the province showed, by their actions, that they were firmly aligned with the party Central Committee in politics. They adopted a clearcut stand in upholding the four cardinal principles and in opposing bourgeois liberalization; took concrete actions to oppose and stop the turmoil; and maintained basic stability in the situation in Zhejiang. They were tempered in the struggle and withstood the test. Together with the people throughout the nation, they defended party leadership, the socialist system, and the people's republic, for whose establishment tens of thousands of revolutionary martyrs laid down their lives.

At a time of temporary economic difficulties, large numbers of cadres and masses throughout the province lifted their spirits, worked with one heart and one mind, exerted themselves, and achieved initial results in improving the economic environment and rectifying the economic order. On this occasion, on behalf of the provincial party committee, the provincial People's Congress Standing Committee, and the provincial government, I wish to express my heartfelt thanks to the large numbers of cadres and masses throughout the province who have contributed their shares to the development of the two civilizations.

Comrade Li Zemin said: We have smoothly entered the first spring of the 1990's. A job well done this year will be of very great importance for the development of the work in all fields in our province in the years to come. We should rally more closely around the party Central Committee, with Comrade Jiang Zemin as its core; continue to resolutely implement the guidelines of the Fourth and Fifth Plenary Sessions of the 13th CPC Central Committee; further do well in improving the economic environment, rectifying the economic order, and deepening reform; and gradually promote stable and well-coordinated economic development in our province.

The most important thing now is to safeguard national stability, which is our overriding concern. We should apply the guidelines of the 5th Plenary Session of the 13th CPC Central Committee to further unify the thoughts and actions of the large number of cadres and masses throughout the province, squarely face all difficulties, lift our spirits, and make solid efforts to ensure success in all fields of work. We should follow the requirements of the party's basic line and concentrate our energies on strengthening party building. We should firmly keep in mind the party's fundamental goals, firmly foster the idea of wholeheartedly serving the people, and uphold the party's mass line. Cadres of party and government organs at all levels should constantly

reach out to grass-roots units and the masses to understand the masses' demands, listen to their voices, and earnestly solve practical problems of common concern to them.

We should firm up our belief, stick to the socialist course, uphold the policy of making reform and opening to the outside world, and resolutely advance along the road of building socialism with Chinese characteristics.

From beginning to end the Spring Festival group meeting was permeated with joy and harmony.

Literary and art workers of the province and Hangzhou City performed excellent programs at the group meeting.

Central-South Region

Guangdong Official Supports Individual Economy

HK0502024890 Hong Kong WEN WEI PO in Chinese
5 Feb 90 p 1

[Report: "Guangzhou's Vice Mayor Lei Yu Says It Is Necessary To Develop the Individual Economy in Future"]

[Text] Guangzhou, 4 Feb—Individual economy has a positive meaning for invigorating the market and solving the unemployment problem in society. Its "supplementary function" to the national economy must be brought into full play in the future. This was pointed out and stressed by Guangzhou's Vice Mayor Lei Yu at a recent meeting of representatives of individual operators and private enterprises convened by the city taxation bureau.

Lei Yu said that practice had proved that at the initial phase of socialism, the existence of various sectors of the economy with public ownership as the mainstay was in accordance with the level of development of social productivity. Therefore, he said, the road to developing individual economy cannot be blocked; it must, on the contrary, be expanded and cleared of hindrances, so as to make bigger contributions to stabilizing society. Also, Lei Yu demanded that taxation departments strengthen the work in collecting taxes.

Guangdong Seeks Agricultural Development

OW2901102290 Beijing XINHUA in English
0835 GMT 29 Jan 90

[Text] Beijing, January 29 (XINHUA)—Guangdong Province will increase output from its current grain area, expand its feed crop area and boost investment in agriculture, according to the deputy-governor, Ling Botang.

Ling said Guangdong's grain output last year reached 17.9 million tons, which was close to the province's record of 18.2 million tons in 1984, though the growing area was reduced by 330,000 hectares.

Though the coastal province, which borders Hong Kong and Macao, has an average of only 0.042 hectares of farmland per capita, making self-sufficiency in grain difficult, Ling noted, it enjoys favorable natural conditions for developing such cash crops as sugar canes, vegetables and fruit. Its exports of farm produce earn more than two billion U.S. dollars a year, he said.

Therefore, Ling said, Guangdong should develop agriculture, forestry, animal husbandry, side-line occupations and fisheries in an allround way, which will not only benefit the province itself but also contribute more to the national economy.

The deputy governor said Guangdong will maintain the existing area for grain. Additional land for cash crops will come from reclamation of wasteland, hillsides and shoals.

The province will transform 660,000 hectares of low-yield land in 1991, increase feed production and expand the area of grass to improve the supply of fodder. The local government also plans to increase finance for agriculture by five percent and increase agricultural loans by 10-15 percent each year.

Hainan Work Meeting Urges Agricultural Promotion

HK0202084190 Haikou Hainan Provincial Service
in Mandarin 0500 GMT 2 Feb 90

[Excerpts] A provincial rural work conference opened at the Provincial CPC Committee Auditorium this morning, which aimed at attaining a yet higher level of our province's agricultural production and rejuvenating the agricultural economy in an all-round way.

In attendance were Xu Shijie, Liu Jianfeng, Yao Wenxu, Miao Enlu, Wang Yuefeng, Wei Zefeng, Li Zhimin, Pan Qiongxiang, (Tao Wenhua), Zheng Zhang, Zou Erkang, (Chen Kefeng), (Zhou Feng), (Li Lintian), Dong Fanyuan, (Huang Zhongdao), and other leaders of the provincial party committee, the Provincial Conference of People's Representatives, the provincial government, the provincial Chinese People's Political Consultative Conference [CPPCC] Committee and the Provincial Discipline Inspection Commission. [passage omitted]

Xu Shijie, provincial party committee secretary, presided over the meeting and delivered a speech. He said: The decision adopted at the 5th Plenary Session of the 13th CPC Central Committee points out that the entire party and the whole country should be galvanized into action to concentrate efforts on agriculture, because attaining a steady agricultural development is the foundation for ensuring economic, political, and social stability. This is related to the safety of the state and is also important for the readjustment of economic structure. In Hainan, agriculture is part of the foundation for economic development and is also the pillar of all industries. We urged that leaders at all levels devote their

major efforts to the development of agricultural production and attach importance to both agricultural development and exploitation, with the emphasis on opening up commodity grain bases, developing sea-fishing, deep and precise processing of tropical farm and sideline produce, and vigorously developing export-oriented agriculture. He hoped that the meeting would once again rouse the whole party to work energetically for agriculture with one heart and one mind, so that Hainan's agriculture would attain a yet higher goal.

Comrade Yao Wenxu, deputy secretary of the provincial party committee and head of the provincial leading group for agriculture, delivered at the meeting a report entitled: "Mobilize the Whole Party, Stress Agriculture as a Priority, Work Hard To Push Agriculture of our Province Further Forward, and Reinvigorate the Rural Economy in an All-Round Way. [passage omitted]

North Region

Inner Mongolia Rural Work Conference Ends

SK2501051790 Hohhot Inner Mongolia Regional Service in Mandarin 2300 GMT 19 Jan 90

[Text] After a 5-day session, the autonomous regional agricultural work conference concluded on 19 January. The participants in the conference earnestly studied the spirit of the 5th Plenary Session of the 13th CPC Central Committee, of the 5th autonomous regional CPC congress, and of the national experience-exchange conference on the comprehensive development of agriculture. They also discussed and formulated a plan for the region's basic self-sufficiency in grains and studied tasks and measures for developing agriculture this year.

Attending the work conference on 19 January were leading comrades, including Wang Qun, Zhang Dinghua, Yang Enbo, Pei Yingwu, Alatanaoqier, and Baoyanbatu. In concluding the work conference, Comrade Wang Qun delivered a speech in which he pointed out: Agriculture is the foundation of the national economy. Only by laying a solid foundation of agriculture can we ensure that the national economy achieves sustained, harmonious, and stable development. Despite the serious disasters in 1989, our region still reaped a better agricultural harvest. Members from top to bottom throughout the party have enhanced their understanding on building an agricultural foundation this year. The appropriate departments have also increased the agricultural input in the fields of funds, materials, science, and technology. It should be said that the 1990 conditions for developing agriculture are better than those of 1989. Leading comrades at all levels must do a good job in utilizing these favorable conditions, foster their confidence in work, and be determined to push agriculture forward this year.

In his speech, Wang Qun stated: In order to ensure a bumper agricultural harvest this year, we should mobilize the entire party and the society as a whole to pay great attention to agricultural production and to attach

great importance to agricultural development. Leading comrades at all levels should bring into full play the people's creativity and the people's spirit of being masters of their own affairs; remove the concept of small-scale production; emancipate their minds; stress self-reliance; and strive to become wealthy by working industriously.

In his speech, Wang Qun pointed out that the year 1990 is a period in which our region will vigorously popularize scientific and technological results. Efforts should be made to mobilize the people of various nationalities throughout the region to do a good job in popularizing the agricultural technologies that are suitable to the region. Leading personnel at all levels should conduct the work of popularizing scientific and technological results and should take the lead in this regard. Scientific and technological personnel should go deep into grass-roots level units to foster typical cases so as to use the experience of the typical cases to promote work in the entire locality. Appropriate departments should formulate the policy of giving preferential treatment to scientific and technological personnel so as to encourage them to go down to grass-roots level units. Efforts should be made to establish or improve the network of popularizing scientific and technological results; to enhance the training work of science and technology among peasants and herdsmen; and to make best use of the current slack season to hold rotation training classes so as to enable a large number of peasants and herdsmen to master one or two technologies and to enable the broad masses of peasants and herdsmen to be able to master or use the technologies.

In his speech, Wang Qun stressed that various industries and trades should be galvanized into action to make concerted efforts to render comprehensive services to farming, preparations for farming, and the aftermath of harvesting. Efforts should be made to realistically deal with the serious shortage of funds, fertilizer, agrochemicals, and diesel oil for agricultural production. Efforts should be made to do practical deeds in rendering service to agriculture.

In his speech, Wang Qun urged leading personnel at all levels to bring about a change to their work style and to go deep into grass-roots level units to carry out investigation and study in order to ensure a bumper agricultural harvest this year and to help grass-roots level units deal with their practical difficulties. The autonomous regional party committee made a decision to urge members of the party Standing Committees to take the lead in going deep into grass-roots level units and to urge the autonomous regional party committee and its subordinate organs to dispatch a large number of cadres to go to the countryside after the Spring Festival to make practical contributions to agricultural work.

More Shanxi Students Apply To Join CPC*OW3101125890 Beijing XINHUA in English
1226 GMT 31 Jan 90*

[Text] Taiyuan, January 31 (XINHUA)—A total of 6,223 students in Shanxi province's 15 universities and colleges have applied to join the Chinese Communist Party since last July.

During this period universities and colleges in the province have held various activities to educate students in the basic tenets of the party.

The party committees of the 15 universities and colleges have sent materials and books on the party, and political instructors to help the students.

Tan Shaowen Meets Tianjin Construction Workers*SK3101091890 Tianjin TIANJIN RIBAO in Chinese
6 Jan 90 pp 1, 2*

[Excerpts] The enterprises currently facing serious difficulties should mobilize all their workers and staff members to obtain a clear understanding of the current situation; should accurately uncover problems; should work out practical measures; and should pool the wisdom and efforts of everyone to overcome difficulties and change the passive situation in their production and management with the purpose of starting an upswing this new year. Tan Shaowen, secretary of the municipal party committee, made these remarks on 5 January while holding heart-to-heart talks with workers and staff members of the No 4 municipal construction company, whose production was in a difficult situation.

Tan Shaowen, Mao Changwu, Li Zhendong, Hu Xiaohuai, and responsible comrades of pertinent departments in the municipality travelled together to the No 4 municipal construction company. At the beginning of the talks, Tan Shaowen said: These Spring Festival heart-to-heart talks are aimed at helping grass-roots units solve urgent problems in their production and difficulties in the livelihood of the masses. We should integrate the heart-to-heart talks with investigations and studies; integrate the understanding of the real situation with the solution of problems; and integrate visits to the masses and the solicitation of masses' opinions with work guidance. Through heart-to-heart talks, leading cadres at all levels should actually embrace the sense of service and improve their leadership style. Leaders at the municipal level as well as leaders of various districts, counties, and bureaus should frequently go down to the grass-roots units. Leaders at the grass-roots level should also immerse themselves among the masses to conduct the heart-to-heart talks so as to solve some problems at grass-roots level in a timely manner. By doing so, we will be able to establish among all cadres a fine atmosphere of going deep into the realities of life, depending on the masses, and handling affairs in a down-to-earth manner. [passage omitted]

Tan Shaowen said in conclusion: Under the situation of improving the economic environment and rectifying the economic order, the urban construction departments are confronted with some special difficulties, but are also provided with some favorable conditions. Such departments have a good contingent of workers and staff members, a good work style equal to the most formidable tasks, and a set of good work experiences. These departments should take full advantage of these favorable conditions to fortify their confidence in surmounting difficulties. The municipal party committee has defined the guiding ideology for this year's work as: first, focusing all measures to maintain stability; and, second, turning difficulties into opportunities. All professions and trades should firmly grasp this guiding ideology. So far as the construction enterprises are concerned, they should fulfill all construction tasks with good quality in line with the demand of economic rectification and improvement so as to contribute to economic rectification and improvement. At the same time, these enterprises should seize opportunities to improve all the work within their enterprises. The enterprises with relatively more difficulties, like the No 4 Municipal Construction Company, should turn pressures into incentives; try every possible means to create more production channels; pay attention to boosting diversified occupations; and depend on workers and staff members to reverse their passive situation. This will enable them to supplement the process of improving the economic environment and rectifying the economic order with the process of not only handling difficulties but also promoting the development of work. These enterprises should also vigorously mobilize their workers and staff members to summarize experiences and draw lessons, thus fortifying their confidence and courage in overcoming difficulties.

Tan Shaowen placed ardent hopes on cadres, workers, and staff members of the No 4 Municipal Construction Company. He stressed that, at present, they should pay attention to the following points: They should further strengthen leadership, improve work style, and summon up spirit. They should not be satisfied with just doing a satisfactory job, but should strive to have a perfect mastery of their jobs. They should formulate more management systems; maximize the effectiveness of existing systems; improve quality and efficiency through improving management systems; and strive to enhance enterprises' reputations through strengthening management. They should conscientiously carry out the work of increasing production and practicing economy and increasing revenues and cutting expenditures. Tan Shaowen added: We should strive to improve the political and professional expertise of workers and staff members. We should strengthen the party's organizational work at the grass-roots level, and give full play to the fighting role of party organizations and the vanguard and exemplary role of party members. We should truly arouse the enthusiasm of the vast number of workers, staff members, and the masses, and should depend on the masses to surmount difficulties.

Northeast Region

Jilin Reports Gains Against Six Vices

SK2901015190 Changchun Jilin Provincial Service
in Mandarin 1030 GMT 20 Jan 90

[Text] The province has made marked achievements in the activities of eliminating pornographic things and the six social vices. However, Wu Yixia, vice governor of the province, still stressed that efforts should be made to follow up the victory with hot pursuit.

Over the past 2 months, party committees and governments at all levels across the province have mobilized and organized the forces of all social circles to create powerful public opinion for encircling and suppressing the six social vices. By the end of 1989, the province cracked 4,227 cases of six vices, involving 17,955 criminals. In line with the law, the province sealed up or banned the activities of 307 business firms or places which seriously violated the regulations and the law, and retrieved more than 70,000 contraband goods and stolen money and articles which are worth nearly 6 million yuan.

However, the activities of eliminating the six social vices have not been carried out evenly. Some localities have been slow to act, and this lack of activity has left these vices untouched. Some obscene books, periodicals, and audio and video tapes are still in the hands of illegal businessmen or other people. Some criminal elements of prostitution and paid sex, who have hidden themselves well, have not been exposed.

At the provincial conference on eliminating the six social vices on 19 January, Wu Yixia, member of the provincial party standing committee and vice governor of the province, delivered a speech in which he stressed that various localities should continue to deepen the struggle against the six social vices and to emphatically do a good job at Spring Festival in dealing blows, checking, and prohibiting the criminal activities of gambling and of swindles by making use of the feudalist and superstitious habits; and should ensure that the people throughout the province have a happy, peaceful, civilized, and safe Spring Festival.

Liaoning's Quan Shuren Writes on Party Building

SK0302093090 Shenyang Liaoning Provincial Service
in Mandarin 1030 GMT 2 Feb 90

[Text] In the 1990 second issue of GONGCHAN DANGYUAN ZAZHI [COMMUNIST PARTY MEMBER MAGAZINE], which came off the press recently, Quan Shuren, secretary of the provincial party committee, published a signed article, entitled: "Study the Issue of Party Building Under the New Situation."

The article states: Last year, turmoils and counterrevolutionary revolution occurred in our country during the turn of spring into summer. The political disturbances in certain countries gave us an education in various aspects. The first thing we conscientiously consider is how to strengthen party building. Comrade Deng Xiaoping said: This party should be grasped. We cannot but grasp it. He earnestly stated the importance and urgency of strengthening party building. In the face of the current severe situation at home and abroad, we must study party building, correctly understand the present party situation, and solve the major problems that urgently need solutions. Under the new situation, the historical mission of the party's proletarian revolution has remained unchanged. But the situation and tasks facing us have changed. Marxism-Leninism-Mao Zedong Thought, which the party has considered as its theoretical foundation, has also remained unchanged. Nevertheless, Marxism-Leninism-Mao Zedong Thought must be upheld and developed under the new historical conditions. The party's nature as the vanguard of the proletariat has remained unchanged. But, a series of changes have taken place in the party's class basis, the expansion of the party contingents, and the ideological situation and work style. The leading position and role of the party in the Chinese revolution and construction have remained unchanged. But, under the new situation, the leadership methods, forms of activities, and leadership systems must be improved. We must study many issues concerning party building, particularly under the circumstances in which the practical danger has existed of the acute struggle between infiltration and counter-infiltration and between subversion and counter-subversion, and of peaceful evolution.

Comrade Quan Shuren's article on studying the issues of party building under the new situation is divided into two parts: 1) Upholding the nature of the party as the vanguard of the working class and preventing peaceful evolution constitute an issue of primary importance, which we must resolve in party building under the new situation. 2) Maintaining a high degree of purity and unity in the party's political and ideological development is a crucial point.

At the end of his article, Comrade Quan Shuren pointed out: Party organizations at all levels should concentrate their main energy on grasping party building. Particularly under the current severe situation, we must solve a series of problems facing us. We should strive to build party organizations into vanguards of the working class, which take Marxism-Leninism-Mao Zedong Thought as their guidance, and have a high degree of purity and unity in terms of their ideology, organization, and work style. Party organizations should have fighting capacity so that they will become a strong core and the mainstay in leading the socialist modernization drive. This is an urgent task in party building.

Guangdong Sentences Two for Spying

HK0302053690 Guangzhou Guangdong Provincial Service in Mandarin 0400 GMT 3 Feb 90

[Text] Around last June, two spies, (Zhang Yi) and (Wu Jidong), actively provided a Taiwan special agent organization with intelligence on turmoils in Beijing and Guangzhou and were recently punished in Guangzhou in accordance with law.

Zhang Yi, a Guangzhou youth waiting for employment, and Wu Jidong, who had been employed by a certain guesthouse in Guangzhou Municipality, joined a Kuomintang special agent organization around October 1988. Between last May and June, acting on the order of the special agent organization, they repeatedly reported in secret code to the Kuomintang Taiwan special agent organization on the student movements in Beijing and Guangzhou.

Guangzhou Municipal Intermediate People's Court tried and sentenced, in accordance with law, Zhang Yi to 13 years' imprisonment and deprived him of political rights for 4 years; and sentenced Wu Jidong to 10 years of imprisonment and deprived him of political rights for 3 years.

LIAOWANG Views Taiwan's Hong Kong Policy

HK1801135090 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 3, 15 Jan 90 pp 21-23

[Article by Huang Wentao (7806 2429 3447): "The Taiwan Authorities' Efforts To Step Up Their Work Concerning Hong Kong Are Attracting Attention"]

[Text] Summary: The Taiwan authorities' policy toward Hong Kong has experienced the three stages of "withdrawal," "staying," and "forging ahead."

After the Sino-British talks on the Hong Kong issue, the Taiwan authorities planned to "gradually withdraw" their influence from Hong Kong.

After an agreement was concluded between China and Britain confirming China's resumption of sovereignty over Hong Kong, the Taiwan authorities announced that they did not recognize the "Sino-British Joint Declaration," and shifted to a policy of "staying in Hong Kong and Macao instead of withdrawing."

In February 1989 the Taiwan authorities formulated an "immediate, medium-term, and long-term program for Hong Kong and Macao" asserting that they would "take a positive attitude and firmly determine to prevent the CPC from introducing the 'Hong Kong and Macao formula' of 'one country, two systems' to Taiwan."

The Taiwan authorities recently upgraded some of their Hong Kong-based organizations, allowing them to take on a "semiofficial" nature.

The Taiwan authorities' attempt to use Hong Kong as a base to resist the "one country, two systems" policy and

to refuse the motherland's peaceful reunification is doomed to failure. [end summary]

The Taiwan authorities have made major adjustments to their "international policy" and policy toward the mainland following recent changes in the situation inside and outside Taiwan. There are indications that the Taiwan authorities' policy toward Hong Kong and Macao is gradually taking shape and that they are strengthening their work concerning Hong Kong. This trend is drawing people's attention.

The Change in Policy Toward Hong Kong

For the last 10 years the Taiwan authorities' policy toward Hong Kong has experienced the three stages of "withdrawal," "staying," and "forging ahead."

After the Sino-British talks on the Hong Kong issue, the Taiwan authorities were at a loss for measures and planned to gradually "withdraw" their influence from Hong Kong. Subsequently an agreement was concluded between China and Britain confirming that the Chinese Government would solve the Hong Kong issue with the formula of "one country, two systems." The agreement also stipulates that China would resume its exercise of sovereignty over Hong Kong, and that Hong Kong's capitalist system would remain unchanged for 50 years. Although the Taiwan authorities announced that they did not recognize the "Sino-British Joint Declaration," they figured that "there is still hope in Hong Kong" and shifted to a policy of "staying in Hong Kong and Macao instead of withdrawing."

Over the last 10 years, the Kuomintang [KMT] has gradually changed its previous "low-key attitude" and has started changing its "passive position" of just "maintaining the status quo" in its work concerning Hong Kong, hoping to "do something practical" in Hong Kong. In March 1989 the Taiwan authorities completed formulation of an "immediate, medium-term, and long-term program for Hong Kong and Macao," which was taken as a guide to their work concerning Hong Kong and Macao. The basic principles are as follows: 1) "Defending democracy, freedom, prosperity, and progress in Hong Kong and Macao"; 2) "Holding firm to their positions in Hong Kong and Macao and disseminating democratic ideas to the mainland"; and 3) "Preventing the CPC from using the 'Hong Kong and Macao formula' to introduce the 'one country, two systems' concept to Taiwan." In accordance with these principles, the Taiwan authorities have instructed the relevant departments to work out detailed plans for implementation.

Some people here believe that the Taiwan authorities will "take a positive attitude and firmly determine" to carry out their work concerning Hong Kong. This of course forms a striking contrast to their previous "conservative" attitude and indicates a major change in KMT policy toward Hong Kong.

Background to Adjusting Their Policy Toward Hong Kong

First, the adjustment of the Taiwan authorities' general policy indicates a "positive" change in their policy toward Hong Kong.

Following the mainland's major achievements in the political, economic, and diplomatic fields, the Taiwan authorities have become increasingly isolated in the world. Their scope and the influence of their activities have narrowed, and they are facing a serious problem of "survival and development." To get out of their predicament, they have in recent years pursued "flexible diplomacy," "practical diplomacy," and "money diplomacy," in an attempt to establish all kinds of essential relations with some countries and regions and to explore the possibility for their survival. On the other hand, while pursuing the "three no's" policy, Taiwan has also allowed limited civilian exchanges with the mainland, with the aim of gaining the initiative in controlling the relations between the two sides of the strait under a flexible and relaxed situation and of "reunifying China with the three people's principles." While adjusting their general policy, the Taiwan authorities also adjusted their policy toward Hong Kong in such a manner that it became an important link in solving the problem of "survival and development."

Second, the KMT policy toward Hong Kong is becoming "positive," and this trend is determined by Hong Kong's social and economic characteristics and its special position.

Hong Kong is an international monetary center, a trade center, and a maritime and aviation center. It is characterized by a typically free capitalist economic operation and has close and extensive relationships with the international economic network. Obviously, utilizing Hong Kong's experience, economic function, and superior position will be beneficial to Taiwan's exploration of economic activities in the Asian-Pacific region, to the fulfillment of its "economic internalization," and to its participation in the international economic system. In addition, Hong Kong is close to the mainland and has extensive political, economic, cultural, and personnel exchanges and relations with the mainland. From the economic angle, Taiwan takes Hong Kong as an indispensable bridge in the relations between the two sides of the strait and therefore deems it necessary to utilize Hong Kong properly. From the political angle, the capitalist Hong Kong is the most ideal "forward position" and "bridgehead" for the KMT to carry out "counterattacks on the mainland." Shih Chi-yang, "vice president" of the Taiwan "Executive Yuan," pointed out that Hong Kong's "free economy and free life style have produced a certain impact on the mainland" and that "it will continue to play a role in bringing about change on the mainland."

What is more important, Hong Kong is in the transitional period of being handed over to China. On the one hand, the mainland's concept of "one country, two

systems," plus a number of principles and policies drawn up on the basis of this concept since 1984, is gradually being put into effect in Hong Kong. China's economy is also thriving and its society remains stable. The KMT is worried by this, because, for Taiwan, Hong Kong serves as a protective screen. If the concept of "one country, two systems" proves successful in Hong Kong, this will constitute huge pressure and threat against Taiwan. On the other hand, because the concept of "one country, two systems" is an unprecedented political attempt, some problems and contradictions are sure to arise between China and Britain, between Hong Kong and the mainland, and in Hong Kong's society itself. Many problems will exist for a long period (such as the differences in ideology, social systems, economic development levels, and lifestyles between Hong Kong and the mainland). Therefore, apart from constituting pressure on the KMT, Hong Kong's transitional period and complex situation will also provide Taiwan with an opportunity to fully utilize Hong Kong in the course of exercising its "initiative and safe strategy."

With this background, the KMT policy toward Hong Kong is gradually taking shape and its work concerning Hong Kong is being strengthened.

Exploring Economic and Trade Relations With Hong Kong

Taiwan has now become Hong Kong's 10th largest market and 4th largest trade partner, whereas Hong Kong has become Taiwan's 3d largest trade partner. In 1988, Hong Kong's exports to Taiwan totaled HK\$3.46 billion, an increase of 45 percent over 1987. In the first 10 months of 1989, Hong Kong's exports to Taiwan amounted to HK\$3.55 billion, an increase of 26 percent over the same period of 1988. In 1988, Taiwan increased its exports to Hong Kong by 35 percent, to stand at HK\$44 billion. In the first half of 1989, Taiwan's exports to Hong Kong amounted to HK\$25.3 billion, an increase of 27 percent over the same period in 1988. Taiwan capital in Hong Kong has increased for the last 2 years. Taiwan capital in Hong Kong amounted to \$800 million in 1988 and \$1.6 billion in the first 3 months of 1989, and was mainly used in the stock market, real estate, tourism, and hotel business. In 1987 there were 12 Taiwan business offices in Hong Kong. This figure increased to 19 in 1988 and to 27 in November 1989. In the meantime, Hong Kong has become an important reexport port for both sides of the strait and an important transit center for Taiwan people going to the mainland for family visits, tourism, business transactions, and making investments.

To develop economic relations between Taiwan and Hong Kong, Taiwan has taken all sorts of measures since 1989. First, it formulated a plan to set up a new economic organization in Hong Kong. The Taiwan "Department of Economy" recently completed a "Work Plan on Hong Kong and Macao" to be implemented in 3 years. Its main contents are as follows: A Taiwan trade center will be set up in Hong Kong; the scope of the

"Hong Kong and Macao Affairs Office" will be expanded; Taiwan will participate in Hong Kong and Macao commercial exhibitions; it will encourage Hong Kong and Macao industrialists to visit Taiwan; and it will investigate Hong Kong's reexport trade to facilitate the formulation of an economic policy toward the mainland. Second, Taiwan is expanding bilateral exchanges for new "progress." Taiwan and Hong Kong made a number of commercial explorations. The Taiwan World Trade Center and the Hong Kong Trade Development Council will jointly sponsor seven international exhibitions in 1990. The Taiwan Far-East Trade Service Center in Hong Kong is also planning to organize mutual visits by delegations from Taiwan and Hong Kong. It is believed that "delegations from Taiwan may include official representatives." A responsible person from a Taiwan trade organization stationed in Hong Kong said on several occasions that "it hopes to establish a normal dialogue with Hong Kong industrial and commercial circles and the Hong Kong Government" and "to start official or semiofficial commercial exchanges." Some people in economic circles have noted that Taiwan is eager to set up branches of Taiwan banks in Hong Kong. Some reports said that, after implementation of Taiwan's "monetary internationalization" policy, Hong Kong has become "one of the bases selected by Taiwan for exploring economic, trade, and monetary activities in the Asian-Pacific region and Southeast Asia," and that Taiwan banks and monetary organizations have expressed a very deep interest in building branches in Hong Kong. A responsible person from a Taiwan office in Hong Kong disclosed that the "possibility will arise for Taiwan banks to set up branches in Hong Kong" after revision of the Taiwan "Bank Law."

Taking the Initiative in "Launching Offensives" in the Hong Kong Cultural and Political Fields

In taking account of a series of problems facing Hong Kong during the transitional period, Taiwan is propagating by various means through its organizations in Hong Kong the following ideas: "allowing the people to administer," "a high degree of autonomy," and "democratic politics." It has also imposed pressure on the work of drafting the Hong Kong Basic Law in an attempt to lead Hong Kong into an independent or semi-independent political structure. Its targets include: "Allowing the Hong Kong Court of Final Appeal to have the right of final explanation on relevant Hong Kong legal provisions"; "striving for the freedom to form political parties"; "striving for direct elections of the chief administrator and legislative and executive officials"; "electing all officials from among local residents"; and "opposing China's stationing of troops in Hong Kong." Shih Chi-yang, "vice president" of the Taiwan "Executive Yuan" and convener of the "Hong Kong and Macao Affairs Group," asserted that Taiwan "will take a positive attitude and firmly determine" "to assist" Hong Kong in "forming a democratic and highly autonomous government before 1997" and "will cooperate with people in industrial and commercial circles" to "strive

for international support, particularly cooperation from the free world, in preserving Hong Kong's position."

During the counterrevolutionary rebellion in Beijing last year, the Taiwan authorities stirred up trouble through their mouthpieces in Hong Kong. They provoked a feeling of fear among the Hong Kong people by means of a "psychological war." Subsequently, the Taiwan authorities began to "pay closer attention to the situation in Hong Kong," and decided to "strengthen the functions of the Hong Kong and Macao Affairs Group."

A prominent change is that most Taiwan organizations in Hong Kong have adjusted their leading bodies, and some have been appointed directly by Taipei. According to Taiwan newspapers, the Taiwan authorities "will seek a person who is familiar with Hong Kong affairs and has the ability to make overall arrangements for Taiwan Government and party organizations in Hong Kong. This person will assume direct responsibility to government policy-makers." Obviously, the change in the leading bodies of Taiwan organizations in Hong Kong under Taiwan's new policy has special significance.

Strengthening its organizations in Hong Kong and "cultural infiltration" into this region is an important effort aimed at "strengthening Hong Kong's confidence in the KMT government." The Taiwan "Free China Comment Office" in Hong Kong is expanding its business here. The "Chi Cheng bookstore" has drawn up a plan for "improving its operations and expanding its sales to attract more readers and disseminate its culture in grass-roots units." News is spreading that the Taiwan "Information Bureau" intends to set up a large-scale "information and cultural center" in Hong Kong.

More noteworthy, the Taiwan authorities have either upgraded the positions of some Taiwan organizations in Hong Kong or expanded their responsibilities and rights. They seem to have allowed some organizations in Hong Kong to take on a "semiofficial" nature. According to some Taiwan press reports, the Taiwan authorities decided to "set up some centers with consular functions" in Hong Kong beginning 1 November 1989 and authorized the "Chunghwa Travel Service" in Hong Kong to provide direct visa endorsements for travel to Taiwan. These press reports said that this move "is a kind of breakthrough progress" in the authorities' work concerning Hong Kong and Macao. Other newspapers have disclosed that the KMT is planning to set up an "organization similar to an embassy" in Hong Kong.

In conclusion, the KMT is actively expanding its work concerning Hong Kong from its long-term political and economic considerations. As the "Taiwan factor" is beginning to infiltrate into Hong Kong, its orientation and influence are worthy of attention. Some people here are of the opinion that the development of economic and trade relations between Taiwan, Hong Kong, and the mainland is an inevitable trend and will benefit the common prosperity of their economies. However, any effort to make Taiwan or Hong Kong independent or

semi-independent runs counter to the interests of the Chinese nation and will be opposed by all patriots. The Taiwan authorities' attempt to use Hong Kong as a base

to resist the "one country, two systems" policy and to refuse the motherland's peaceful reunification is doomed to failure.

CNA Interviews Belize Prime Minister*OW0102054190 Taipei CNA in English 0432 GMT
1 Feb 90*

[Text] Belize City, Jan 31 (CNA)—Prime Minister George Price said Wednesday the establishment of diplomatic relations between the Republic of China and Belize opens a door to trade and economic cooperation between the two countries for the benefit of both.

He also welcomes a state visit to Belize by President Li Teng-hui.

In an interview with the CNA, Price said Belize holds out many opportunities to the enterprising and hard-working people of the Republic of China who can join the Belizeans in the tasks of development for the benefit of all.

"The establishment of relations between our two countries opens the door to trade and economic cooperation that will benefit our peoples greatly," Price pointed out.

Belize is a young, democratic country in the Caribbean, "Our people are friendly," Price said. "Our land is hospitable. The political climate is peaceful and stable. Our country serves as a bridge and a haven of cultural pluralism."

There is already a Chinese community in Belize. Its members, together with all Belizeans, "enjoy human dignity and opportunity," Price said.

Foreign Minister Said Musa said the establishment of diplomatic relations between the two countries "resulted in great measure from the pragmatic foreign policy of Taipei and what we in Belize call the politics of realism of the new Government."

"The bold and pragmatic foreign policy of Taipei in reaching out to Third World nations such as Belize is in my view an enlightened one which will bring about a resurgence of world recognition for the reality of the Republic of China," Musa pointed out.

"Belize would welcome a state visit by the President of the Republic of China, His Excellency Mr. Li Teng-hui," Musa said. "The exchange of visits between the leaders of the two countries will further strengthen our relationship," he added.

Musa said Belize looks forward to receiving Chinese Ambassador Hung Chien-hsiung. "We are confident that this will serve to strengthen the relations between our two countries," he added.

He said he hopes the Republic of China will see it fit to build an embassy in Belmopan in the not too distant future. "We expect to name an honorary consul in Taipei very shortly," he added, although "because of budgetary constraints we cannot at this stage appoint an ambassador."

"But," Musa said, "we hope to be able to do so in the future."

The new honorary consul in Taipei will be David Tawei Chang.

There are a number of projects of cooperation between the Republic of China and Belize, Musa said. They include the building of a bridge, a housing project, and the establishment of a center for employment training. "These projects," he pointed out, "will contribute greatly to the promotion of friendly relations between our two countries and our peoples."

Belize also welcomes foreign investment, in particular from the Republic of China, Musa said. "We have an investment code and a fiscal incentives law which offer generous tax holidays and duty exemptions for investments in the fields of agriculture, agro-industry, manufactures, fish culture, forestry, and tourism," he added.

"We are looking forward to receiving investors from the Republic of China," Musa said.

Li Teng-hui Praises Prodocracy Movement*OW0302115790 Taipei International Service in English
0200 GMT 1 Feb 90*

[Text] President of the ROC [Republic of China] and Chairman of the ruling Kuomintang Li Teng-hui on Wednesday stated at Wednesday's meeting of Central Committee that the democracy movement on Mainland China has already won the attention of the world and that the Chinese Communists will drown as a result.

In his first speech in the new year, Li said that over the past year the ROC on Taiwan has worked to further realize the three principles of the people and ruled under a constitutional democracy. He also said that social benefits on the island has been strengthened. Li noted that the Tiananmen massacre last year in Peking shows the brutality of the Chinese Communists but also said that the movement for democracy is alive on the mainland. Li also that the KMT will continue working towards establishing a unified, democratic, free, and prosperous China.

Legislative Yuan President Announces Resignation*OW0302050090 Taipei CNA in English 1531 GMT
2 Feb 90*

[Text] Taipei, Feb 2 (CNA)—Legislative Yuan President Lu Kuo-tsai declared Friday that he would resign from his top legislative post on Feb 8.

The 78-year-old Liu also told the press that he would quit his job as a legislator, which he had held for 21 years.

"In order to contribute to the grand work of passing responsibilities on to the younger generations, I have decided to resign from the Yuan" after receiving the Republic of Korea National Assembly Speaker Kim Chae-sun, due to visit here on Feb 7, he said.

Liu was elected the Yuan's vice president in 1972 and became acting president on Dec 20, 1988, when the then president, Nieh Wen-ya, retired. On Feb 24, 1989, he was elected president of the nation's highest law-making body.

Hong Kong

Reportage on Change of XINHUA Leadership

Xu Jiataun 'Protected' Cadres

HK2401065390 Hong Kong TANG TAI in Chinese
No 9, 20 Jan 90 p 4

[Article by Wei Ming (5517 2494): "Xu Jiataun Protects Cadres in Hong Kong"]

[Text] Xu Jiataun has been working in Hong Kong for more than 6 years, and has received both praise and censure. He is admired by the majority of Communist cadres in Hong Kong, because after the June 4th incident he did everything possible to protect them, so that they could be exempted from the purge by the mainland authorities. Many cadres in Hong Kong thanked Xu Jiataun very much in this regard. They believe that it is too bad to transfer him back. According to some well-informed sources, Xu Jiataun has done the following well:

1. He took the initiative to bear responsibility (for a large number of workers and staff members of Chinese-funded organs in Hong Kong going onto the streets to demonstrate against the central authorities)

In Hong Kong, it was impossible for Xu Jiataun to prevent 1 million Hong Kong people from going onto the streets to demonstrate. Under the conditions at that time, it was also impossible for him to prevent workers and staff members of the Chinese-funded organs in Hong Kong from participating in demonstrations. It was unnecessary for him to bear responsibility for all this. However, after the June 4th incident, when Xu Jiataun reported on work to the central authorities, he took the initiative to bear the responsibility, attributing all this to his failure in "grasping political and ideological work for a long time." In his report submitted to the central authorities, he stressed: "The majority of cadres in Hong Kong are good." During the period of the June 4th incident, most of the workers and staff members who participated in demonstrations were locally employed. At that time, as they were influenced by the overall social atmosphere, they unavoidably took part in demonstrations. It is impossible for the party organization to control local employees. In the meantime, under the conditions at that time, the participation in demonstrations by some workers and staff members of the Chinese-funded organs objectively helped cool the feelings of the masses against those organs, and avoided their attacking them. This meant "protecting the property of the state." It has been learned that when responsible people of the China Resources Group reported to the Ministry of Foreign Economic Relations and Trade, they also said the same thing. Responsible people of the Bank of China Group went further in citing the example of the "bank run," saying that if some of their workers and staff members had not taken part in demonstrations, it would have been very difficult to quell the unrest of a "run" on Chinese-owned banks. Due to Xu Jiataun's initiative to

take the responsibility and his explanation of the special conditions in Hong Kong and Macao, a large number of cadres in Hong Kong could be protected.

2. Positive education was emphasized without forcing everyone to make self-criticism so as to pass the test.

After the June 4th incident, the central authorities issued documents urging party organizations and governments at all levels to focus their attention on the June 4th incident, to examine the words and deeds of everyone during that period, and to handle the relevant cases in light of their seriousness. At that time, some people stressed that those cadres in Hong Kong who participated in the activities of "opposing the central authorities," in whatever form, must confess their mistakes. This idea disturbed many cadres, and they were on tenderhooks. However, Xu Jiataun refused to implement the idea in Hong Kong, and persisted in "laying the main emphasis on positive education." He adopted the method of organizing cadres in Hong Kong to "study" central documents in Shenzhen in turn. On average, everyone had to "study" for 5 to 7 days. During the period of "study," participants were only asked to talk about their understanding of the matter, without "confessing their mistakes." This method played a great role in mentally stabilizing a great number of Communist cadres in Hong Kong.

3. Xu allowed cadres to obtain travel documents in Hong Kong to avoid false alarms.

After the June 4th incident, the Ministry of Public Security issued a notice that personages stationed abroad must apply for new exit permits in order to leave the country. After the issuance of the notice, some cadres who were on a business trip on the mainland were detained and could not return to Hong Kong, because they did not get the new exit permits. As a result, many cadres did not dare return to China, or to make business trips to the mainland. The business of many Chinese-funded organs in Hong Kong was in a state of stagnation or semistagnation because of this. Under such circumstances, Xu Jiataun returned to China to negotiate with the relevant departments, so that they could authorize XINHUA to issue travel documents. This helped many Chinese-funded organs restore their work and business at an early date.

Now Xu Jiataun himself cannot avoid the fate of leaving Hong Kong. Many cadres in the Chinese-funded organs feel sorry about this. They hope that after Zhou Nan comes to Hong Kong, he will do as Xu Jiataun did, and share his views. Otherwise, the purge of CPC cadres stationed in Hong Kong will surely be enlarged.

Article Profiles Zhou Nan

HK1901094090 Hong Kong TANG TAI in Chinese
No 8, 13 Jan 90 pp 6-7

[Article by Wan Li-hsing (8001 6849 5887): "Considerations Behind Zhou Nan's Appointment to Hong Kong"]

[Text] Issue No 6 of this journal (published 30 December 1989) was the first to report that Vice Foreign Minister Zhou Nan was to replace Xu Jiatun as director of the XINHUA Hong Kong Branch. On 10 January, XINHUA Deputy Director Pan Zengxi [3382 2582 6932] confirmed that Zhou Nan was to take up his post after the Spring Festival. Thus, personnel changes being mulled over for some time, have now been finalized.

Two names were mentioned as possible successors to Xu Jiatun. Xu Jiatun himself recommended Guangzhou Governor Ye Xuanping to the central authorities. On the other hand, the State Council network recommended Vice Foreign Minister Zhou Nan. This was the case even before 4 June. It is learned that even then, Ye Xuanping had expressed reluctance to accept the post. After 4 June, he became even more adamant about not coming to Hong Kong. According to sources close to Ye Xuanping, he had his own ideas about many of the things that the central authorities did to Hong Kong after 4 June. He knew that under the circumstances, the work in Hong Kong would be difficult, hence his repeated rejections.

As far as Jiang Zemin and Li Peng are concerned, they are more inclined toward Zhou Nan. First of all, their own qualifications, experiences, and real political achievements pale beside those of Ye Xuanping. If Ye were transferred to Hong Kong, they might not be as qualified to speak about Hong Kong as he would in the future. Moreover, they do not have backers as strong as Ye's. If differences should occur on the Hong Kong issue in the future, the many political elders in the central authorities who still have a say, would be more inclined to support the son of party and state founder, Marshal Ye. Therefore, they do not wish to see Ye take over from Xu. Secondly, the foreign ministry network has always favored Li Peng's view over Zhao Ziyang's view in the past. So, Li Peng is more relieved with having someone from the foreign ministry network take over from Xu. Moreover, Zhou Nan's position is relatively low (his administrative grade is that of deputy minister, which is lower than that of Xu Jiatun and of Ye Xuanping). It will be easier for Jiang Zemin and Li Peng to direct him than Ye Xuanping. Third, from the point of view of the faction in favor of the Beijing massacre, Xu Jiatun's performance since "4 June" has been unsatisfactory, while that of Ye Xuanping has been worrisome. On the other hand, Zhou Nan never "faltered from his position" in the struggle against Britain (even though the Hong Kong people's confidence has deteriorated because of the "4 June" incident, the CPC still insists that it was provoked by the British side and consistently stressed that "the doer should undo what he has done." Zhou Nan himself mouths this line more than anyone.) In view of the fact that all personnel changes are now carried out "according to the 4 June criteria," the pro-massacre faction naturally leans toward Zhou Nan.

What would be the impact of Zhou Nan's arrival in Hong Kong on China's Hong Kong policy? The following assessments were made based on our knowledge of Zhou Nan:

First of all, owing to the downgrading of the status of the XINHUA head (Note: downgrading of the status does not mean downgrading of the organ. While the grade status of the XINHUA head is now lower, XINHUA is expected to retain its provincial and ministerial level), differences on Hong Kong-Macao policies among appropriate departments in Beijing are expected to decrease. In the past, the XINHUA Hong Kong Branch, the Hong Kong and Macao Office, and the Ministry of Foreign Affairs often had differing views on the same issue. Generally speaking, the Hong Kong-Macao Office and Foreign Ministry often disagreed with the XINHUA Hong Kong Branch. The reason for these differences stems primarily from the fact that Xu Jiatun's position is higher than that of Li Hou, Qian Qichen, and others. He could "go directly to the imperial court," to which Li and Qian do not have access. Henceforth, with Zhou Nan's relatively lower position it will be easier for the State Council to take control of the work on Hong Kong.

Secondly, Zhou Nan took a relatively tough stance against Britain during the entire process of the Sino-British talks. Of course, this toughness is but a reflection of Deng Xiaoping's intentions and Zhou Nan was merely the messenger. However, he did carry out Deng's tough line brilliantly, which left a deep impression on the British officials. Once, during the Sino-British talks, a meeting had barely started when Zhou Nan, finding the tone of the meeting not to his liking, immediately declared: We are adjourned. Let us talk after you have thought things out. The man obviously has his own style. His appointment to Hong Kong no doubt has something to do with this toughness against the British, especially as the CPC believes the British administration in Hong Kong to be tolerant of the Hong Kong people's anti-Beijing activities and is also convinced that Britain is trying to "internationalize" the Hong Kong problem. Hence, the question of struggle against Britain in Hong Kong in the future will remain. Zhou Nan's appointment to Hong Kong is indeed a good choice. It is expected that Zhou Nan will embody this hardline stance against Britain.

Appendix: Zhou Nan's Biodata.

Zhou Nan's real name is Gao Qingcong [7559 1987 3827].

He was born in Changchun City, Jilin Province, in December 1927.

In 1931, he moved with his family to Tianjin where he spent his childhood and teenage years and attended the Yaohua Middle School.

Later, he was admitted to the philosophy department of Beijing University, where he studied for a year before transferring to Yanjing University to study economics. Later still, he shifted to European literature studies.

In 1946, he became a member of the underground Communist Party and, henceforth, used the name Zhou Nan to carry out student activities against Kuomintang rule.

In June 1948, as one of the responsible people of the underground party in Yanjing University, he travelled secretly to the Shanxi-Chahaer-Hebei Liberation Zone where he reported on the student movement to the urban affairs department of the Northern China Bureau.

Wanted by the Kuomintang, he stayed on to work in the liberation zone.

With the eruption of the Korean War in 1950, he joined the Volunteers Army to go to Korea where he took charge of work on the American prisoners of war.

From 1951 to 1955, he worked in the Chinese Embassy in Pakistan.

In the early 1960's he was with the Chinese Embassy in Tanzania.

In the 1970's he was a member of the Chinese delegation to the United Nations for 10 years.

In 1984, he was made vice foreign minister in charge of Western European affairs. At the same time, he was president of the Institute of Foreign Affairs for 2 years.

He also took part in the signing of the Sino-British Joint Declaration and the Sino-Portuguese Joint Declaration.

His wife Huang Guo, a classmate at Yanjing University, is a counselor at the foreign ministry's diplomatic history editorial section.

Zhou Nan has visited some 50 countries and regions. An avid lover of classical literature, he also likes swimming, Chinese yoga, and Peking operas.

Zhou Nan Leaves for Post

*OW0502093590 Beijing XINHUA in English
0915 GMT 5 Feb 90*

[Text] Beijing, February 5 (XINHUA)—Newly-appointed Director of the Hong Kong Branch of the XINHUA NEWS AGENCY, Zhou Nan, left here for his new post this afternoon.

He was seen off at the airport by Qi Huaiyuan, vice-minister of Foreign Affairs, and Li Hou, deputy director of the Hong Kong and Macao Affairs Office of the State Council.

Also on hand were British Ambassador to China Sir Alan Donald and Portuguese Ambassador to China Jose Manuel Devilas-Boas.

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